OECD Skills Studies

OECD Skills Strategy Bulgaria

ASSESSMENT AND RECOMMENDATIONS



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BETTER POLICIES FOR BETTER LIVES

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Foreword

Developing and using people's skills effectively is crucial for Bulgaria's economic prosperity and social cohesion.

Demographic change, digitalisation, globalisation and climate change are combining to increase and transform the skills needed to thrive in Bulgarian workplaces and society. People will need a stronger and more well-rounded set of skills, including cognitive, social and emotional, and job-specific skills, to flourish in life both in and outside of work. Bulgaria will also need to make better use of people's skills in the labour market and in individual workplaces to minimise skills imbalances and harness the potential of people's skills. The coronavirus (COVID-19) crisis has accelerated the digitalisation of learning and work and made upskilling and reskilling even more critical for many adults.

Bulgaria faces several persistent skills challenges. First, many young people lack high levels of cognitive skills, which this has not clearly improved over time. There remain large gaps in skill levels and educational attainment between youth from disadvantaged and advantaged backgrounds. Skills imbalances are high, with many employers facing skills shortages and many graduates being mismatched to their jobs. Many adults appear to be low-skilled, but relatively few participate in education and training. Finally, employers are not using workers' skills to their full potential to support productivity and innovation.

Bulgaria is at various stages of implementing key reforms to improve its performance in developing and using people's skills. For example, the country has lowered the age of mandatory early childhood education, developed a competency-based curriculum for schools, increased teachers' salaries, increased adults' access to vocational education and training, mapped regional supply and demand in higher education, and increased the retirement age, among other reforms.

Today, Bulgaria has a unique window of opportunity to progress and build upon these reforms to improve performance and equity across its skills system. This OECD's Skills Strategy seeks to support Bulgaria in seizing this opportunity. This review provides a detailed analysis, benefiting from widespread engagement with stakeholders, leading to several tailored recommendations for Bulgaria.

The OECD stands ready to support Bulgaria as it seeks to put skills at the forefront of its development agenda and develop an Action Plan with a comprehensive set of skills policy actions.

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While the report draws upon data and analysis from the OECD, Bulgarian authorities and other published sources, any errors or misinterpretations remain the responsibility of the OECD team. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

Ben Game was the OECD Project Leader responsible for co-ordinating this OECD Skills Strategy project in Bulgaria. The authors of this report were: Pavel Kambersky, Ben Game and Tamar Friedman Wilson, OECD Centre for Skills, and Anna Vitoria Perico E Santos, OECD Directorate for Education and Skills, (Chapter 1. Key insights and recommendations); Anna Vitoria Perico E Santos (Chapter 2. Improving youth skills); Tamar Friedman Wilson (Chapter 3. Improving adult skills); Ben Game (Chapter 4. Using skills effectively in the labour market and at work); and Andrew Westwood, University of Manchester, and Ben Game (Chapter 5. Improving governance of the skills system). Assenka Hristova (external consultant) provided research, guidance and feedback throughout the project, while Pavel Kambersky provided research, drafting and translation assistance. In addition, staff from the OECD Centre for Skills, Directorate for Education and Skills, Directorate for Labour and Social Affairs and Economics Department provided feedback on the report.

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Abbreviations and acronyms

The main abbreviations and acronyms used in the report are listed below.

Abbreviation/acronym	Full description
ACS	Institute for Adult Education (Slovenia)
ALMPs	Active labour market policies
BASSCOM	Bulgarian Association of Software Companies
BGVTC	Bulgarian-German Vocational Training Centre State Enterprise
BSCC	Bulgarian-Swiss Chamber of Commerce
BSMEPA	Bulgarian Small and Medium Enterprise Promotion Agency
BURS	Bulgarian University Ranking System
CAPSE	Centre for Evaluation of Pre-school and School Education
CCVET	Consultative Council for Vocational Education and Training
CEDEFOP	European Centre for the Development of Vocational Training
CEEC	Central and Eastern European Countries
CESAs	Centres for employment and social assistance
CITUB	Confederation of Independent Syndicates in Bulgaria
CoCs	Centres of competence
CoEs	Centres of excellence
CPD	Continuing professional development
CV	Curriculum vitae
CVET	Continuous vocational education and training
CVT	Continuing vocational training
DBBZ	Bulgarian-German Vocational Training Centre
ECEC	Early childhood education and care
ECS	European Company Survey
ECTS	European Credits Transfer System
EEA	European Economic Area
EFTA	European Free Trade Association
EHEA	European Higher Education Area
EQAVET	European Quality Assurance in Vocational Education
EQF	European Qualifications Framework
ESF	European Social Fund
ESIF	European Structural and Investment Funds
EURES	European Employment Services
EWCS	European Working Conditions Survey
FLCs	Family labour consultants
GDP	Gross domestic product

Abbreviation/acronym	Full description
HDI	Human Development Index
HEPPP	Higher Education Participation and Partnerships Program (Australia)
HPWPs	High-performance workplace practices
HRM	Human resource management
ICT	Information and communications technology
ILA	Individual learning account
ILO	International Labour Organization
ILS	Individual learning scheme
INSAIT	Institute for Computer Science, Artificial Intelligence and Technology
IOM	International Organisation for Migration
IRAQP	Information Register of the Approved Qualification Programmes
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
IT	Information technology
ITE	Initial teacher education
IVT	Initial vocational training
LPVET	List of professions for vocational education and training
MEI	Ministry of the Economy and Industry
MES	Ministry of Education and Science
MEVyT	Modelo Educación para la Vida y el Trabajo (Education Model for Life and Work) (Mexico)
MIG	Ministry of Innovation and Growth
MLOs	Mobile labour offices
MLOWs	Mobile labour offices and workplaces
MLSP	Ministry of Labour and Social Policy
MRDPW	Ministry for Regional Development and Public Works
NAP	National Assessment Program (Australia)
NAPLAN	National Assessment Program – Literacy and Numeracy (Australia)
NAVET	National Agency for Vocational Education and Training
NDP	National Development Programme Bulgaria 2030
NEA	National Employment Agency
NEAA	National Evaluation and Accreditation Agency
NEAP	National Employment Action Plan
NEET	Not in employment, education or training
NEPC	National Employment Promotion Council
NGO	Non-governmental organisation
NQF	National qualification framework
NSI	National Statistical Institute
OOD	Private limited company
OPHRD	Operational Programme for Human Resource Development
OPSESG	Operational Programme for Science and Education for Smart Growth
PE	Programme Education
PES	Public employment services
PIAAC	Programme for the International Assessment of Adult Competencies
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
PPS	Purchasing power standard

Abbreviation/acronym	Full description
PSEA	Pre-school and School Education Act
QA	Quality assurance
R&D	Research and development
REDs	Regional departments of education
RegiX	Registry Information Exchange System
RPL	Recognition of prior learning
SAA	Skills assessment and anticipation
SBA	Small Business Act
SES	State educational standards
SGI	Sustainable Governance Indicators
SME	Small- and medium-sized enterprise
SSCs	Sectoral skills councils
STEM	Science, technology, engineering and mathematics
TALIS	Teaching and Learning International Survey
TC	Training consortium
TCNs	Third-country nationals
TEZ	Trakia Economic Zone
TIMSS	Trends in International Mathematics and Science Study
UN DESA	United Nations Department of Economic and Social Affairs
UNICEF	United Nations Children's Fund
UNITE	Universities for Science, Informatics and Technologies in Esociety
VET	Vocational education and training
VETA	Vocational Education and Training Act
WBA	Academy of Continuing Education (Austria)
WBL	Work-based learning

Executive summary

OECD-Bulgaria collaboration on the OECD Skills Strategy project

This OECD Skills Strategy (OSS) project provides Bulgaria with tailored findings and recommendations on its skills performance from an international perspective and supports Bulgaria's ongoing strategic planning activities. The OSS project was launched via a virtual Skills Strategy Seminar in February 2022 with senior representatives from the Ministry of Education and Science (MES), the Ministry of Labour and Social Policy (MLSP), the Ministry of Innovation and Growth (MIG), the Ministry of Economy and Industry (MEI), the Ministry of Finance, the Bulgarian Industrial Capital Association (BICA), the Bulgarian Industrial Association (BIA), the Union for Private Economic Enterprise, and the Education Bulgaria 2030 Association (non-governmental organisation).

During consultations in April and June 2022, the OECD engaged with nearly 40 organisations and over 80 individuals in workshops, expert meetings, regional discussions and bilateral meetings (see Annex A). This process provided invaluable input that shaped the findings and recommendations in this report.

Key findings and opportunities for improving Bulgaria's skills performance

In Bulgaria, as in other OECD countries, megatrends such as demographic change, digitalisation, globalisation and climate change are transforming jobs and how society functions and people interact. There are many consequences of these megatrends in Bulgaria, including employers often struggling to find the skills they need, productivity becoming a more important driver of economic development and workers facing higher risks of job automation. In addition, the coronavirus (COVID-19) crisis accelerated the digitalisation of learning and work, disrupted several economic sectors and exacerbated inequalities in the country. Although the economic contraction of 2020 has been followed by strong growth since, unemployment rose more starkly, and the employment rate only reached its pre-pandemic levels by mid-2022. Moreover, low growth is projected for 2023 due to the deteriorating macroeconomic situation in Europe, high energy prices and rising interest rates.

These megatrends and challenges reinforce the need for Bulgaria to design forward-looking, dynamic skills policies. To thrive in the world of tomorrow, people will need a stronger and more comprehensive set of skills, underpinned by high-quality learning opportunities over the life course, and better opportunities to use skills in the labour market and workplaces.

Bulgaria has made significant efforts in this direction – the National Development Programme "Bulgaria 2030", the Strategic Framework for the Development of Education, Training and Learning (2021-2030), the National Strategy for Employment (2021-2030) and other strategies have a strong focus on skills. In addition, Bulgaria has embarked on a range of skills policy reforms in recent years spanning early childhood education, school curricula, vocational education and training, and the labour market. Therefore, as Bulgaria moves towards developing a comprehensive Action Plan for skills policies, it has a unique opportunity to implement these and other critical reforms to positively influence the megatrends, tackle the challenges and seize the opportunities facing the country.

The OECD and the Government of Bulgaria have identified four priority areas for improving Bulgaria's skills performance. These priority areas are the focus of this report. The key findings and opportunities for improvement in each of the areas are summarised below and elaborated in subsequent chapters, which also have detailed policy recommendations.

Priority 1: Improving youth skills (Chapter 2)

Ensuring that young people develop the skills, knowledge, values and attitudes needed to thrive in an interconnected world is vital for the general well-being of Bulgaria. Bulgaria continues to struggle with low levels of performance in its student population. Furthermore, Bulgaria has not managed to reduce the large gaps in learning outcomes between different student populations over time. The success of vocational and higher education in meeting labour market demand is limited, with many graduates lacking strong transversal cognitive and practical skills to meet this demand.

The OECD has identified and made recommendations to help Bulgaria realise three main opportunities to improve youth skills:

- Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills
- Opportunity 2: Developing a highly skilled teaching workforce
- Opportunity 3: Making vocational and higher education more responsive to labour market needs.

Priority 2: Improving adult skills (Chapter 3)

Across OECD countries, adults of all skill levels need to upskill and/or reskill during their careers. Strengthening adult skills can help Bulgaria to address skills shortages, bolster its ongoing economic recovery, prepare for shifting skills demands and improve labour productivity. However, participation in adult education and training in Bulgaria is the lowest in the European Union (EU). Many adults and employers lack motivation to engage in education and training or otherwise face time-related, financial and other barriers to doing so.

The OECD has identified and made recommendations to help Bulgaria realise three main opportunities to improve adult skills:

- Opportunity 1: Increasing motivation among adults and employers to participate in adult learning
- Opportunity 2: Making education and training more flexible and accessible for adults and employers
- Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers.

Priority 3: Using skills effectively in the labour market and at work (Chapter 4)

The benefits of developing skills will be maximised only if policies also support people to supply their skills in the labour market and use them effectively at work. This entails using skills in various dimensions – activating the skills of Bulgaria's working-age population, utilising the skills of return migrants and skilled immigrants and utilising workers' skills effectively at work. Most of Bulgaria's unemployed or inactive adults are from vulnerable groups with relatively low participation in public employment services. High emigration and low return emigration, as well as low levels of skilled immigration of EU citizens and third-country nationals, have limited Bulgaria's ability to use people's skills and address skills shortages. In addition, many Bulgarian enterprises lack the capacity to implement high-performance workplace practices to support skills use, nor do they receive support for doing so.

The OECD has identified and made recommendations to help Bulgaria realise three main opportunities to improve using skills effectively:

- Opportunity 1: Activating the skills of vulnerable groups in the labour market
- Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria
- Opportunity 3: Supporting enterprises to utilise workers' skills more effectively.

Priority 4: Improving the governance of the skills system (Chapter 5)

Effective governance arrangements are essential to support Bulgaria's performance in developing and using people's skills. At the national level, there is a need to better co-ordinate different ministries and agencies, as existing arrangements such as the Council of Ministers and ad hoc bilateral arrangements are insufficient to ensure a whole-of-government approach to skills. Beyond government, the involvement of stakeholders in Bulgaria's skills system is growing but appears fragmented and limited in scope. Bulgaria lacks high-quality information on skills needs in the labour market and how well the government's various skills policies and programmes are working. Public expenditure on skills development and use is low by international standards, and funding sources are not highly diversified.

The OECD has identified and made recommendations to help Bulgaria realise three main opportunities to improve skills governance:

- Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies
- Opportunity 2: Building and better utilising evidence in skills development and use
- Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies.

1 Key insights and recommendations for Bulgaria

This chapter summarises the context, key insights and policy recommendations of the OECD Skills Strategy project in Bulgaria. It applies the OECD Skills Strategy Framework to assess the performance of Bulgaria's skills system and introduces the four priority areas for action, including key findings and recommendations for each. The four priority areas are: 1) improving youth skills; 2) improving adult skills; 3) using skills effectively in the labour market and at work; and 4) improving the governance of the skills system. Subsequent chapters provide a more detailed analysis of the priority areas, opportunities for improvement and recommendations.

Skills matter for Bulgaria

Skills are vital for enabling individuals and countries to thrive in an increasingly complex, interconnected and rapidly changing world. Countries in which people develop strong skills, learn throughout their lives, and use their skills fully and effectively at work and in society are more productive and innovative and enjoy higher levels of trust, better health outcomes and a higher quality of life.

As new technologies and megatrends increasingly shape our societies and economies, getting skills policies right becomes even more critical for ensuring societal well-being and promoting inclusive and sustainable growth. For Bulgaria, implementing a strategic approach to skills policies is essential, given the country's exposure to demographic and digital disruptions and persistent inequalities among different social groups. The coronavirus (COVID)-19 crisis has accelerated the digitalisation of learning and work in Bulgaria and risks increasing inequalities in education and labour markets.

Against this backdrop, the Bulgarian Government is seeking to develop an Action Plan for Skills (the "National Skills Strategy") that supports the country in developing and implementing a comprehensive set of skills policy actions. The present report provides comprehensive analysis and advice on Bulgaria's skills policies and performance as a basis for developing a national action plan for skills.

Skills are essential for Bulgaria's response to global megatrends

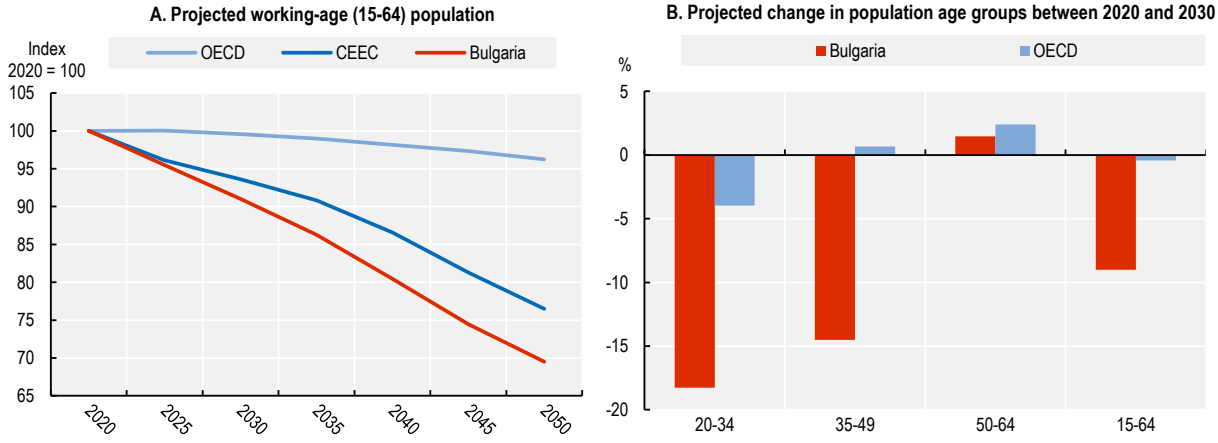
In Bulgaria, as in other OECD countries, megatrends such as digitalisation, globalisation, demographic change and climate change are transforming learning systems and the world of work. To thrive in the world of tomorrow, people will need a stronger and more well-rounded set of skills. These include foundational skills; cognitive and meta-cognitive skills; social and emotional skills; and professional, technical and specialised knowledge and skills. Bulgaria will also need to make better use of people's skills in the labour market and at work to realise the potential benefits of skills development.

The digital transformation continues to significantly impact all aspects of life in Bulgaria, including developing and using skills. Information and communications technologies (ICT), advances in artificial intelligence and robotics are profoundly changing the way people learn, work, communicate and live across OECD countries (OECD, 2019[1]). Although data on job automation in Bulgaria are scarce, one study estimated that a typical Bulgarian employee is more likely to be in a job that may be automated (68% probability) than the typical employee in any other European Union (EU) country (Pouliakas, 2018[2]). At the same time, Bulgarian workers seem to be unprepared to cope with the transformations brought by digitalisation. Bulgaria is the lowest-performing country in the European Union in terms of adult digital skills, with only 29% of its adult population having basic digital skills (see Figure 3.2 in Chapter 3 of this report). Furthermore, the COVID-19 crisis has required a sudden transition to remote working in many occupations, forcing enterprises and workers to rapidly increase their digital competencies. On the one hand, Bulgaria will need to support the creation of higher value-added jobs that are more resilient to automation. On the other hand, Bulgaria will need to provide lower-skilled workers with upskilling and reskilling opportunities to prepare them for the jobs of tomorrow.

Bulgaria's high levels and evolving patterns of trade and integration into global value chains (GVCs) affect the skills required by the country's workforce. Trade liberalisation has led to a more globalised world characterised by expanding supply chains and outsourcing certain forms of work (OECD, 2017[3]). Bulgarian imports and exports make up a relatively high share of its national gross domestic product (GDP), and the country has increased its involvement in GVCs in recent decades. Although Bulgaria's trade and involvement in GVCs is mainly in manufacturing, business services have become increasingly important, including a dynamic computer and information services sector. In addition, the country has the potential to expand into higher value-added manufacturing (OECD, 2021[4]). These trends and opportunities will continue to influence the structure and competitiveness of Bulgaria's economic sectors, which in turn will affect skills supply and demand in the labour market.

Population decline and ageing are deeply impacting the skills profile and needs of Bulgaria's economy and society. Population ageing and low fertility rates have contributed to a shrinking population in Bulgaria, but emigration has been a particularly major challenge. The share of emigration in the demographic decline has increased: while emigration accounted for 32.3% of population loss between 2002 and 2011, its share increased to 40.7% between 2012 and 2021 (Karadjov and Gelovska, 2022[5]). Looking forward, Bulgaria's population is expected to shrink by one-quarter from 2020 to 2050, representing the largest negative growth in population size in the world among countries with at least half a million people (United Nations, 2022[6]). The youngest population age groups (e.g. 20-34 year-olds) will decline the fastest (Figure 1.1, Panel A), leading to a shrinking working-age population (Figure 1.1, Panel B).

Figure 1.1. Projected decreases in the working-age population in Bulgaria, CEEC and OECD countries, 2020-30 and 2020-50



Source: United Nations (2019[7]), *World Population Prospects 2019*, www.un.org/development/desa/pd/news/world-population-prospects-2019-0.

StatLink https://stat.link/mhbg97

As the working-age population declines, so will labour utilisation, which will make economic growth more dependent on labour productivity improvements. Labour productivity growth in Bulgaria had caught up with its CEEC (Central and Eastern European Countries) peers in the most recent period (2010-19). However, compared to other CEEC, labour productivity in Bulgaria has been driven less by output per hour worked and more by growth in average hours worked. Labour productivity is also highly unequal across sectors in Bulgaria (OECD, 2021[4]). Developing and using skills effectively will be essential for achieving sustainable and inclusive labour productivity growth in Bulgaria.

The transition towards more environmentally sustainable goods and services will also affect the structure and skills needs of Bulgaria's economy. As economies undergo this green transition, new jobs will be created, and some existing jobs will be transformed or eliminated (ILO, 2018[8]; Cristina Martinez-Fernandez, 2010[9]). Bulgaria's economy remains relatively carbon- and energy-intensive, with state-subsidised coal-fired power plants producing almost half of the country's energy. However, this is changing, with Bulgaria's share of renewables in energy supply recently exceeding the OECD average (OECD, 2021[4]). As this transition continues, the challenge for Bulgarian policy makers is to transition away from high-carbon energy sources while reskilling workers for more sustainable and productive activities.

The megatrends of digitalisation, globalisation, demographic change and climate change make it even more complex for Bulgaria to achieve an equilibrium between skills demand and supply. Today, Bulgarian employers report that skills shortages are their major barrier to hiring (Ministry of Education and Science, 2019[10]). High-skilled occupations, such as those in manufacturing, communications and information technology, are already facing skills shortages. On the other hand, certain low-skilled occupations (e.g. agriculture and construction) are experiencing skills surpluses. Furthermore, over-qualification is common in Bulgaria, with only 53% of higher education graduates working in a position requiring tertiary education. The shrinking working-age population could exacerbate skills shortages as the supply of skills decreases.

Against this background, Bulgarians will increasingly need to upgrade their skills to perform new tasks in their existing jobs or acquire skills for new jobs. Strong foundational, digital, social and emotional skills, such as critical thinking, communication and adaptability, will become essential for them to be resilient to changing skills demands and succeed in both work and life.

The COVID-19 pandemic has disrupted progress and may exacerbate systemic challenges

In the last two decades, Bulgaria's economic performance has converged towards EU and OECD levels, but recent crises have slowed convergence. After Bulgaria was severely hit by the 2008 global financial crisis, it experienced high production, employment and wage growth to 2019 (OECD, 2021[4]). However, the COVID-19 pandemic caused GDP to fall by 4.0% in 2020 and unemployment to peak at 5.3% in 2021, despite the government's strong fiscal response to the crisis (OECD, 2022[11]). The economy rebounded strongly in 2021 (with GDP growth of 7.6%), and in 2022 employment reached its pre-pandemic levels (by July) and there was real wage growth despite very high inflation. Growth in 2022 was 3.4% and is projected to slow to 1.7% in 2023 due to the deteriorating macroeconomic situation in Europe, high energy prices and rising interest rates (OECD, 2022[11]).

The COVID-19 pandemic has exacerbated other structural challenges. Inequalities have drastically risen over the last decade (indicated by an increase in the Gini coefficient). At the same time, poverty levels remain high, and the percentage of Bulgarians at risk of poverty increased in 2020, reaching 22.1% (versus an EU average of 16.8%) (Eurostat, 2023[12]). Poverty rates are particularly high among the Roma population, low-educated individuals, the elderly and people with disabilities, and are concentrated in peripheral regions. As in other countries, Bulgaria will need to implement targeted policies to prevent inequalities from rising further. The government has recently set ambitious goals to reduce inequalities and poverty, yet the results remain to be seen.

Skills should be at the core of Bulgaria's policy response

Bulgaria requires comprehensive and co-ordinated skills policies to respond to these challenges. In today's rapidly changing world, people need stronger and more comprehensive sets of skills to perform new tasks in their jobs or to acquire new skills for new jobs. Strong foundational, transversal, social and emotional, and job-specific skills (Box 1.1) will make people more adaptable and resilient to changing skills demands and give them more opportunities to succeed in work and life. High-quality learning systems must equip young people with skills for work and life and give all adults opportunities to upskill and reskill over the life course. Adult skills need to be utilised to their potential in the labour market and at work. Finally, robust governance is needed to ensure a co-ordinated response to these challenges. Bulgaria's Action Plan for Skills, the preparations for which began in 2022, will pave the way for such a comprehensive and co-ordinated approach to skills policy.

Box 1.1. A wide range of skills are needed for success in work and life

The *OECD Skills Strategy 2019* identifies a broad range of skills that matter for economic and social outcomes, including:

- **Foundational skills**: Including literacy, numeracy and digital literacy.
- **Transversal cognitive and meta-cognitive skills**: Including critical thinking, complex problem solving, creative thinking, learning to learn and self-regulation.
- **Social and emotional skills**: Including conscientiousness, responsibility, empathy, self-efficacy and collaboration.
- **Professional, technical and specialised knowledge and skills**: Needed to meet the demands of specific occupations.

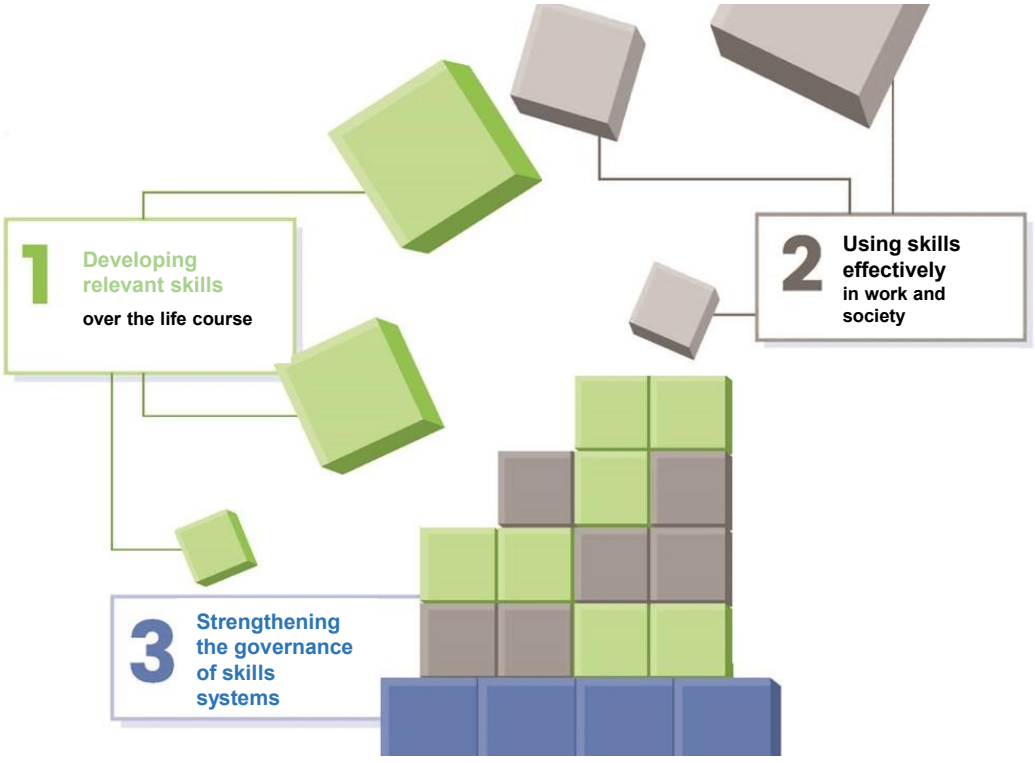
Source: OECD (2019[1]), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, https://dx.doi.org/10.1787/9789264313835-en.

The OECD Skills Strategy project in Bulgaria

OECD Skills Strategy projects provide a strategic and comprehensive approach to assessing countries' skills challenges and opportunities and building more effective skills systems. The OECD collaborates with countries to develop policy responses tailored to each country's specific skills challenges and needs. The foundation of this approach is the OECD Skills Strategy Framework (Figure 1.2), the components of which are:

- **Developing relevant skills over the life course**: To ensure that countries are able to adapt and thrive in a rapidly changing world, all people need access to opportunities to develop and maintain strong proficiency in a broad set of skills. This process is lifelong, starting in childhood and youth and continuing throughout adulthood. It is also "life-wide", occurring both formally in schools and higher education, and non-formally and informally in the home, community and workplaces.
- **Using skills effectively in work and society**: Developing a strong and broad set of skills is just the first step. To ensure that countries and people gain the full economic and social value from investments in developing skills, people also need opportunities, encouragement and incentives to use their skills fully and effectively at work and in society.
- **Strengthening the governance of skills systems**: Success in developing and using relevant skills requires strong governance arrangements to promote co-ordination, co-operation and collaboration across the whole of government; engage stakeholders throughout the policy cycle; build integrated information systems; and align and co-ordinate financing arrangements. The OECD Skills Strategy project for Bulgaria adopted this approach by forming an interdepartmental project team to support the whole-of-government approach to skills policies and by engaging a broad variety of stakeholders.

Figure 1.2. The OECD Skills Strategy Framework



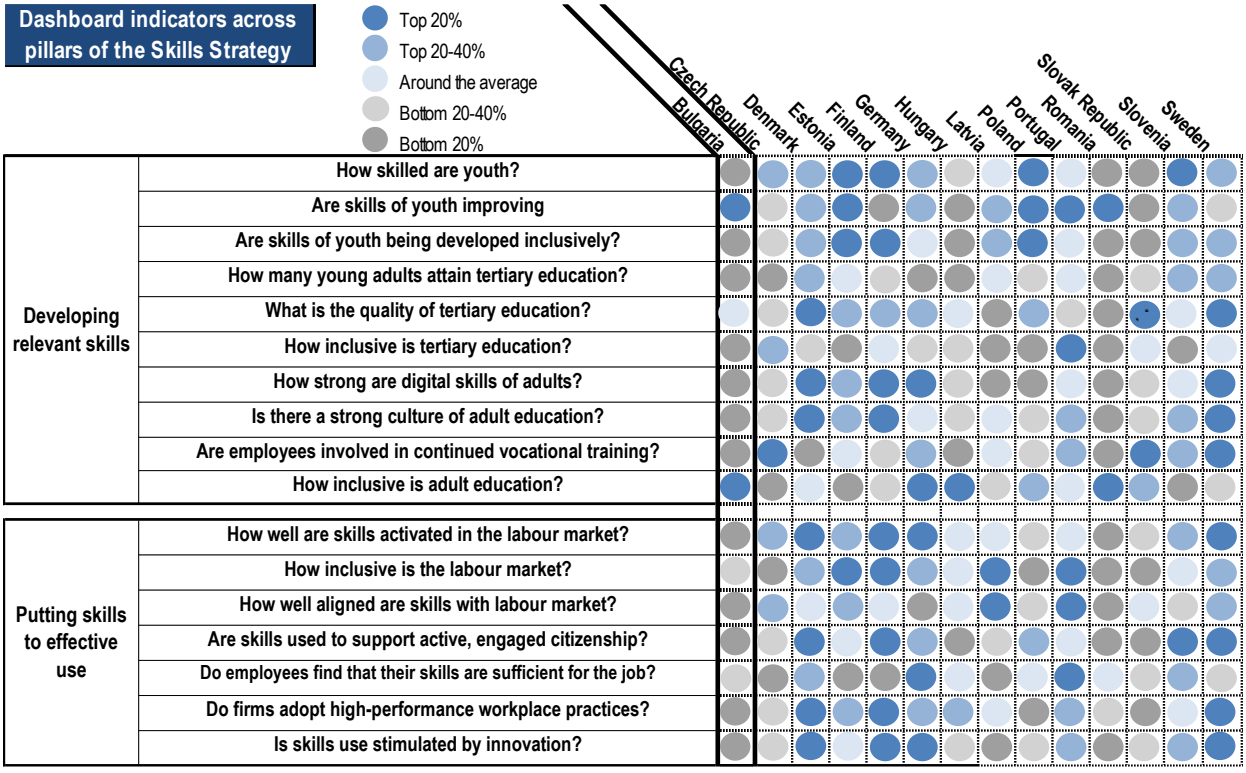
Source: OECD (2019[1]), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, https://dx.doi.org/10.1787/9789264313835-en.

The OECD Skills Strategy project for Bulgaria commenced with a virtual skills seminar for senior officials from various ministries in February 2022. Consultations were held in Bulgaria and on line in April to assess Bulgaria's skills performance and again in June to develop recommendations for improving Bulgaria's performance. The consultations involved bilateral meetings, expert group discussions and interactive stakeholder workshops. The consultations sought not only to enrich the report with local insights but also to develop a constructive dialogue and cultivate a shared understanding of Bulgaria's skills challenges and opportunities as a basis for action. Overall, the OECD Skills Strategy project in Bulgaria engaged over 80 individuals who represented nearly 40 organisations, including ministries and agencies, municipalities, education providers, employers, workers, researchers and other sectors (hereafter referred to as "project participants"). This report is the main outcome of this engagement.

The performance of Bulgaria's skills system

The OECD Skills Strategy Dashboard provides an overview of the relative performance of countries across the dimensions of the OECD Skills Strategy (Figure 1.3). For each dimension of the strategy, there are a number of indicators, some of which are composite indicators, which provide a snapshot of a country's performance (see Annex 1.A for the indicators). For comparison purposes, Bulgaria's relative skills performance is shown next to a range of European countries.

Figure 1.3. OECD Skills Strategy Dashboard: Bulgaria and selected European countries



Note: These summary indicators are calculated as a simple average of a range of underlying indicators (see Annex 1.A). All underlying indicators have been normalised in a way that implies that a higher value and being among the "Top 20%" reflects better performance.

Developing relevant skills

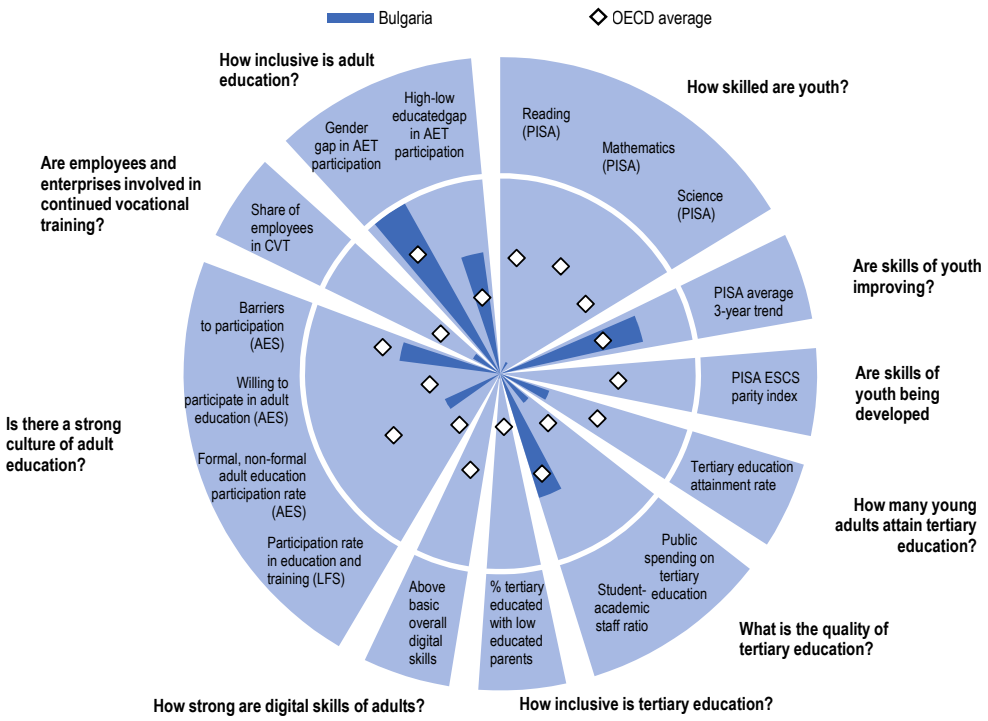
To ensure that countries are able to adapt and thrive in a rapidly changing world, all people need access to opportunities to develop and maintain strong proficiency in a broad set of skills. This process is lifelong and "life-wide", occurring formally, non-formally and informally. Bulgaria could improve its performance in several areas of developing people's skills (Figure 1.4).

Participation in formal education is relatively low and unequal

In Bulgaria, participation in education is compulsory from pre-primary to lower secondary education (from the ages of 4 to 16). By 2020, participation in early childhood education was low and falling, especially for children from socio-economically vulnerable groups. However, this is expected to improve – after the starting age of compulsory pre-school education was lowered from 5 to 4 years in 2020. Early school leaving rates have declined since peaking in 2019 (from 14% to 12.2% in 2021). However, they remain above the EU average and are highest for rural students and ethnic minorities. The share of young adults (aged 25-34) in Bulgaria with tertiary education (33.6% in 2021) has not changed significantly over the last five years and remains well below the EU average (41.2%). In addition, individuals from rural areas and minority groups are under-represented in tertiary education.

Figure 1.4. Bulgaria's performance on key indicators for developing relevant skills

Relevant position in country ranking (based on normalised scores), where higher value reflects better performance



How to read this figure: The normalised scores indicate the relative performance across EU countries: the further away from the core of the chart, the better the performance. For example, the indicator "Tertiary education attainment" has a low score compared to the average, indicating that the share of young adults with tertiary education in Bulgaria is near the bottom of the ranking in comparison with the EU average.
Note: ESCS refers to the PISA index of economic, social and cultural status.
Source: See Annex 1.A for an explanation of sources and methodology.

Many young people, and particularly those from vulnerable groups, have low levels of skills

Young people in Bulgaria have comparatively low levels of skills. Results from the OECD Programme for International Students Assessment (PISA) 2018 show that the performance of 15-year-old students in reading, mathematics and science is well below the EU average (Bulgaria scores last in the European Union in reading and science). Bulgaria is in the top 20% of EU countries for improving youth skills over time, because students' mathematics performance increased significantly from 2006 to 2015. However, students' performance in mathematics declined from 2015 to 2018, there has been no long-term improvement in students' reading performance, and students' science performance has declined. (OECD, 2019[1]) Students from vulnerable groups perform worse than other students, with performance gaps among the highest in the European Union.

Adults have low levels of skills, and few participate in education and training

Available data suggest that Bulgarian adults have low levels of skills and are not highly engaged in learning. For instance, only 11% of Bulgarian adults had above-basic digital skills in 2021, about one-third of the EU average. Despite having low skill levels, the share of Bulgarian adults who participate in education and training is the lowest in the European Union (about 1.8% in the four weeks prior to the survey conducted in 2021). Adults' motivation to participate in learning is also the lowest in the European Union, and those who wish to participate face various barriers to doing so. On the other hand, the adult education system is relatively inclusive - Bulgaria is in the top 20% of EU countries because there are not large differences in participation between different groups of adults.

Using skills effectively

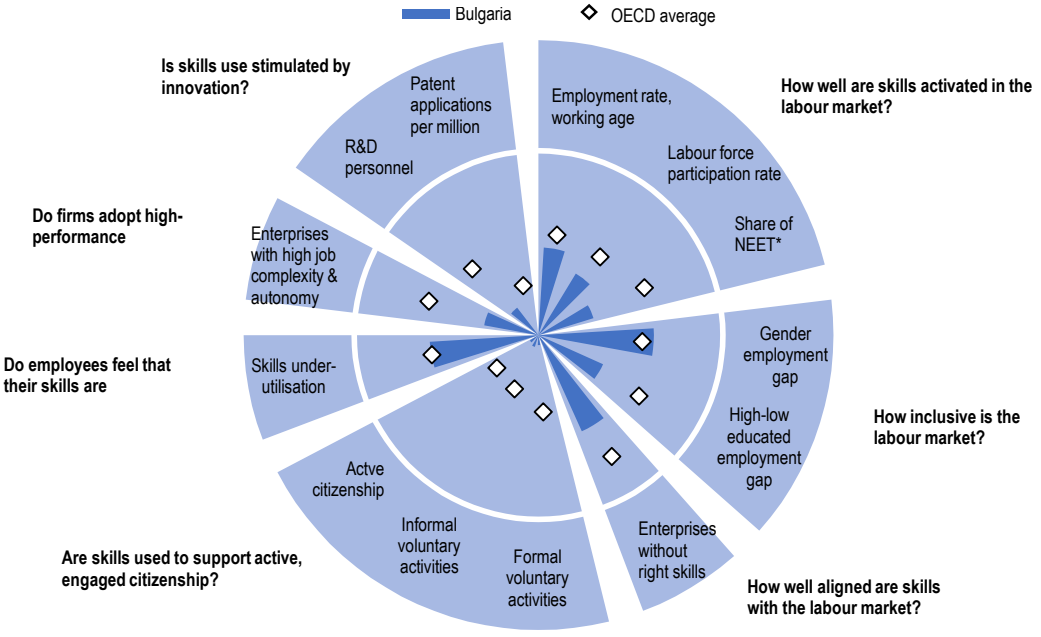
To ensure that countries gain the full economic and social benefits of investing in developing skills, people also need opportunities, encouragement and incentives to use their skills fully and effectively at work and in society. Bulgaria could also utilise people's skills more effectively in workplaces and society (Figure 1.5).

Employment outcomes are on par with EU averages but could be strengthened

Bulgaria's performance in activating people's skills in the labour market is mixed. On the one hand, the share of adults in employment is in line with EU averages and has increased over the last decade. In addition, the gender gap in employment is relatively low. On the other hand, some groups perform poorly in the labour market, inhibiting Bulgaria's overall performance in activating skills. For example, despite improvements over the last decade, the share of youth not in employment, education or training (NEET) and the gap in employment between low- and high-educated adults remain among the largest in the European Union.

Figure 1.5. Bulgaria's performance on key indicators for using skills effectively

Relative position in country ranking (based on normalised scores), where higher value reflects better performance



How to read this figure: The normalised scores indicate the relative performance across EU countries: the further away from the core of the chart, the better the performance. For example, the indicator 'Labour force participation rate" indicates performance below the EU average, i.e. Bulgaria has a comparatively low labour force participation rate relative to the EU average.
Note: *Youth not in employment, education or training (NEET).
Source: See Annex 1.A for an explanation of sources and methodology.

Skills imbalances in the labour market are relatively high

The skills that individuals supply to the labour market in Bulgaria are not closely aligned with the demands of the labour market. Bulgaria is facing widespread labour shortages (OECD, 2022[11]), with employer surveys showing that around 70% of employers face difficulties filling vacancies, well above previous levels

(ManpowerGroup, 2021[13]). Skills shortages are common for medium- and high-skilled occupations (e.g. in manufacturing, communications and information technology). In contrast, skills surpluses are more common in low-skilled occupations (e.g. in agriculture and construction) (OECD, 2021[4]). Skills mismatches are also common in the Bulgarian labour market. For example, only a relatively low (albeit increasing) share of tertiary graduates (53%) work in a position requiring tertiary education (Ministry of Education and Science, 2021[14]).

People's skills are not used to their potential in work or society

Data suggest that adults in Bulgaria use their skills less frequently at work and in life than most adults in the European Union. Although data are limited, the European Working Conditions Survey 2015 (Eurofound, 2017[15]) showed that work intensity was lower in Bulgarian workplaces than in every EU country except Latvia. Over half of Bulgarian workers declare that they almost never use computers, laptops or smartphones at work. A more recent skills survey in selected high-carbon-emitting industries in Bulgaria showed a low intensity of using foundational cognitive skills (reading, writing and numeracy skills) at work (Hristova and Ferre, 2022[16]).

Strengthening the governance of skills systems

While not featured in the OECD Skills Strategy Dashboard, sound public governance of skills systems is contingent upon a government's ability to co-ordinate, steer, monitor, communicate and work horizontally (across departments and institutions within government) and vertically (with local authorities and with external, public and private stakeholders) (OECD, 2019[1]). This both requires and contributes to integrated skills information systems, as well as aligned and co-ordinated skills financing arrangements.

Whole-of-government co-ordination and stakeholder engagement on skills policy are needed

In Bulgaria, ministries have several overlapping responsibilities and policies related to skills, and there is a lack of multilateral and bilateral co-ordination between them. While not limited to skills policy, the Bertelsmann Foundation's 2022 Sustainable Governance Indicators (SGI) ranks Bulgaria's performance in inter-ministerial co-ordination as 37th of 41 countries (Stanchev, Popova and Brusis, 2022[17]). This result reflects several factors. First, the official government office in Bulgaria, the Administration of the Council of Ministers, plays a mainly administrative role and has very limited capacity for in-depth evaluation of the policy content of line-ministry proposals. Second, while Bulgaria has numerous cross-cutting advisory councils involving ministers or other high-ranking officials, it does not have cabinet or ministerial committees to co-ordinate proposals for cabinet meetings. Third, some co-ordination of policy proposals by ministry officials and civil servants takes place, but ministries remain highly segmented and insulated, with limited inter-ministerial co-ordination by senior civil servants. Finally, vertical co-ordination with subnational actors (especially municipalities) is hampered by these actors' limited capacity and the lack of a central institution to oversee the skills system and bring subnational actors to the table.

Stakeholders report fragmentation in their involvement in the skills policy-making process, although some stakeholder advisory bodies exist or are planned. The 2022 SGI ranks Bulgaria's performance in societal consultation as 20th out of 41 countries (Stanchev, Popova and Brusis, 2022[17]). Various interests are represented and involved in consultations in the policy-making process. The National Council for Tripartite Co-operation is formally involved in many decisions, and its role has expanded to negotiating policies and adopting proposals that are later enacted in legislation. Overall, Bulgaria has more than 70 advisory councils at different levels of government, some of which cover skills topics. However, the influence of these councils on policy decisions is limited, and public consultations on policy proposals have often been short or altogether skipped. That said, government agencies are becoming more transparent about their deliberations, and in 2021, the government substantially increased the number of consultations.

Skills information and evidence could be strengthened

Weak co-ordination between ministries has contributed to fragmented and inconsistent data and information collection, as well as a lack of evidence-based policy making. There are examples of good practice within different ministries and agencies on data collection, evaluation and analysis, e.g. the Ministry of Labour and Social Policies' employment and sector forecasting exercises. However, data collection, evaluation and analysis on skills is not comprehensive or systematic, leading to a lack of evidence-based policy making overall.

Bulgaria's overall performance in evidence-based policy making is not strong. The 2022 SGI ranks Bulgaria's performance in both the quality of *ex post* policy evaluations and the utilisation of expert advice as 28th out of 41 countries (Stanchev, Popova and Brusis, 2022[17]). The rules for impact assessments in Bulgaria, established in 2016, require an *ex post* evaluation of policies and their effects within five years of implementation. However, by the end of 2021, only two evaluations had been published through the government's public consultation portal. The government has various ways to consult stakeholders and experts, including a special online portal at the Council of Ministers, via advisory councils, and by public councils linked to specific ministries. In addition, representatives of academia and research institutes are usually included in the process on an ad hoc basis, and it is unclear if or how often experts' inputs lead to policy change.

There is a need for aligned and co-ordinated skills financing arrangements

Finally, public spending on skills is relatively low in Bulgaria. Total general government expenditure on all levels of education in Bulgaria was 4% of GDP in 2020, below the EU average of 5% (Eurostat, 2022[18]). Bulgaria's expenditure was below the EU average at all levels of education (early childhood to tertiary) except early childhood. Although data are sparse, public funding appears low in adult education and training, as indicated by low participation and frequent reports of financial barriers to training by individuals and enterprises (see Chapter 3). Furthermore, spending on active labour market programmes for unemployed persons in Bulgaria (0.16% of GDP in 2019, excluding employment services and administration) is low compared to the EU average (0.39%). This expenditure is also focused on direct employment creation programmes rather than employment incentives and training measures, which tend to be more effective (OECD, 2022[19]). Funding of skills programmes is often highly reliant on European Social Funds, which can limit the continuity of programmes as funding periods end or priorities change. There are limited cost-sharing arrangements for skills policies across ministries and with social partners.

The policy context in Bulgaria

A range of Bulgarian policies recognise the importance of skills

Bulgaria has already developed a range of key strategies (see Annex 1.B for a complete overview) to help the country positively influence megatrends, address the challenges and seize the opportunities facing its skills system. Relevant priorities and goals from these strategies are summarised at the beginning of each chapter to highlight their connection with the OECD's assessment and recommendations. Importantly:

- The **National Development Programme "Bulgaria 2030"** (*България 2030*) defines the vision of Bulgaria's future to 2030. It envisions a society with high living standards in which citizens are highly educated, creative and innovative and can enjoy diverse professional and personal opportunities. The first priority of the strategy focuses on education and skills. It aims to equip young people with the right skills for their future by providing a better-quality education, including by improving the quality of and increasing participation in lifelong learning.

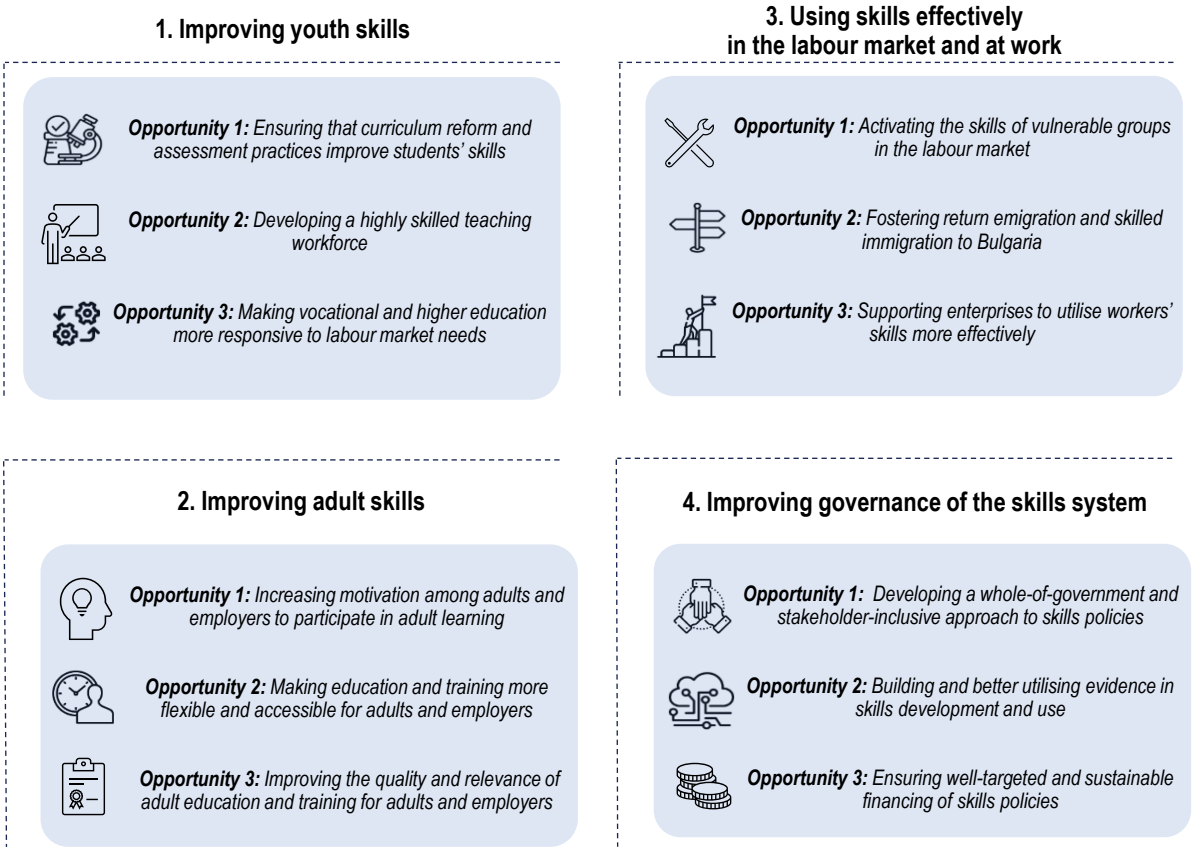
- The **Strategic Framework for the Development of Education, Training and Learning (2021-2030)** sets skills development priorities for the next decade. It aims to improve general education and vocational education and training (VET) by increasing its quality and making it more responsive to labour market needs. Priority 8 of the framework is dedicated specifically to lifelong learning. Separately, Bulgaria also has specific strategies for higher education and VET.
- The **National Strategy for Employment (2021-2030)** outlines the main policy directions related to the use of skills in the labour market. It aims to increase employment and improve the quality of the labour force, focusing specifically on individuals from vulnerable groups and their opportunities to upskill and reskill throughout their lifetimes. The strategy is supported by annual Employment Action Plans that define policies to be carried out in a given year, in line with the Employment Strategy.
- The **National Reform Program 2022** includes skills-related measures in response to the findings of the European Commission's Country Report for Bulgaria, and the Council of the European Union's recommendations to ensure adequate social protection and essential services for all, strengthen active labour market policies, improve access to distance working, and promote digital skills and equal access to education.
- Governance is mainly addressed in the **National Development Programme**, in which Priority 10, "Institutional Framework", aims to increase the sustainability and quality of policies by increasing dialogue, partnerships with other stakeholders and evidence-based decision making. A small number of governance provisions can also be found in the Education Strategy (2021-2030).

The above-mentioned strategies provide only a sample of the most recent initiatives directly related to improving the development, activation and use of skills. Nonetheless, they indicate that the Bulgarian Government is actively working to address skills challenges. Reinforcing efforts in this direction, the Government has asked the OECD and the Directorate-General for Structural Reform Support (DG REFORM) of the European Commission to support Bulgaria from 2022 to 2024 to develop an action plan for a comprehensive set of skills policy actions. The present report is an important first step in this regard, as the assessment and recommendations will feed into the action plan to help Bulgaria improve its skills performance in the coming years.

Priority areas and recommendations

Based on the OECD's initial assessment of the performance of Bulgaria's skills system and discussions with project participants, four priority areas across the three dimensions of the OECD Skills Strategy Framework were identified for this project. Over the course of the project, the OECD identified opportunities for improvement and developed recommendations in each priority area based on in-depth desk analysis and consultations with the Government of Bulgaria and stakeholder representatives. Figure 1.6 depicts these priority areas and opportunities for improvement.

Figure 1.6. OECD Skills Strategy Bulgaria: Priorities and opportunities



The summaries below highlight the key findings and recommendations for each priority area, while subsequent chapters of the full report provide more details in these areas.

Priority 1: Improving youth skills (Chapter 2)

Ensuring that young people develop the skills, knowledge, values and attitudes needed to thrive in an interconnected world is vital for the general well-being of Bulgaria. The importance of youth developing a broad range of relevant skills is growing in the country, especially as Bulgaria faces a shrinking labour force linked to population ageing and high levels of emigration. Such a scenario puts extra pressure on the country's education system to ensure its youth develop the skills needed to ensure their smooth transition into employment and, at the same time, respond effectively to the skills needs of the labour market.

Bulgaria continues to struggle with low levels of performance in its student population. In particular, while Bulgarian students do relatively well at learning the knowledge taught in school curricula during initial education, students appear to struggle to apply their knowledge in real-world settings. Furthermore, within Bulgaria, gaps in learning outcomes between different student populations are a major concern, and Bulgaria has not managed to reduce these gaps over time.

On top of these challenges, and despite recent reforms, there are concerns about the quality of recent teaching graduates in Bulgaria and their readiness for the profession. Evidence shows that teacher candidates' grades are below the average of students in other higher education programmes and that Bulgaria's continuous professional development (CPD) system is fragmented and lacks quality control. The COVID-19 pandemic has further highlighted teachers' limited skills and resources to support students.

Another concern that needs to be addressed in Bulgaria is the responsiveness of VET and higher education to labour market needs. While employers in Bulgaria face challenges in finding the skills they need, vocational and higher education are not consistently equipping youth with strong transversal cognitive and practical skills to meet these needs. Successfully equipping young people with skills for work and life should positively affect their employment outcomes and reduce skills mismatches.

Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills

Successfully designing and implementing modern school curricula are essential for equipping students with the skills needed for success in work and life. Bulgaria initiated a major curriculum reform in 2016 with the goal of establishing a competency-based education model. However, the country is struggling to implement the curriculum reform, in part due to a lack of awareness and capacity among practitioners. Several project participants stated that Bulgaria lacks a clear and shared vision of the curriculum reform and its benefits, apart from a detailed action plan with defined roles, responsibilities and actionable measures. Furthermore, training, support and capacity building for teachers to implement the competency-based curriculum in classrooms has been insufficient and inconsistent across regions, despite the availability of methodological support for this purpose. Moreover, the move to a competency-based curriculum requires modernising assessment practices in Bulgaria. To align with the new curriculum, national external assessment tools need to be reformed to monitor students' acquisition of diverse and higher-order competencies. The results of assessments should be used to monitor the implementation of the competency-based curriculum and students' progress against national learning standards, guiding system improvement over time.

Table 1.1. Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills

Policy directions	High-level recommendations
Building awareness and capacity for curriculum implementation	1.1 Increase education stakeholders buy-in to the vision for curriculum reform, and develop a detailed action plan with these stakeholders to facilitate implementation. 1.2 Reinforce the capacity of regional education departments to provide methodological support to teachers in implementing the competency-based curriculum.
Aligning external assessments with the competency-based curriculum	1.3 Strengthen the national external assessment system by accelerating efforts to align it with the competency-based curriculum.

Opportunity 2: Developing a highly skilled teaching workforce

Ensuring youth achieve higher skill levels depends on empowered, trained and motivated teachers. Despite recently introduced policies to build teacher capacity, the quality of teacher candidates and their readiness to enter the profession remain challenges for Bulgaria's education system. Initial teacher education (ITE) admission processes do not set minimum academic requirements or systematically assess candidates' broader competencies and motivations. Practical learning and exposure to different teaching practices during ITE are limited, hampering the classroom readiness of young teachers. Ensuring relevant and high-quality CPD opportunities for teachers is also critical for Bulgaria's efforts to develop a highly skilled teaching workforce that can improve the skills of young people. Like most OECD and European countries, Bulgaria has made CPD mandatory for teachers, but the quality and relevance of teachers' CPD could be improved. Despite high participation, the CPD system in Bulgaria is not based on a robust assessment of teachers' training needs. In addition, *ex ante* (pre-training) quality assurance of CPD programmes and providers is limited, and Bulgaria lacks a systematic approach for *ex post* (post-training) quality assurance of CPD to ensure the desired outcomes of CPD are being achieved.

Table 1.2.Opportunity 2: Developing a highly skilled teaching workforce

Policy directions	High-level recommendations
Selecting and preparing high-quality teaching candidates	1.4 Introduce a more selective and comprehensive admission system for initial teacher education to ensure the suitability and quality of teaching candidates. 1.5 Improve the quality and relevance of initial teacher education by aligning it more closely with classroom practice, including by expanding and supporting teaching practicum.
Monitoring and improving teachers' continuing professional development	1.6 Align continuing professional development programmes more closely to teachers' training needs by improving the collection and use of appraisal, assessment and evaluation data in CPD planning. 1.7 Strengthen quality assurance of teachers' continuing professional development by expanding *ex ante* evaluation and introducing systematic *ex post* evaluation of the outcomes of CPD.

Opportunity 3: Making vocational and higher education more responsive to labour market needs

Increasing the responsiveness of vocational and higher education to current and anticipated labour market needs benefits students, employers and the economy as a whole. Currently, Bulgarian employers have difficulty finding workers with the right set of skills. Greater involvement of employers and other local actors in initial VET could improve the relevance of VET graduates' skills to employers' needs. However, in Bulgaria, stakeholder engagement in VET is not systematic at the subnational level, which is important given that skills needs vary significantly across the regions. Collaboration between schools and employers can be improved by promoting greater work-based learning during initial VET through increased financial and non-financial support to employers and students. Furthermore, Bulgaria has limited tracking of higher education student outcomes, and higher education institutions struggle to make use of the available data. Public funding of higher education institutions could be used to create stronger incentives for institutions to offer programmes and curricula that align with labour market needs. Finally, youth from disadvantaged backgrounds have limited access to and success in higher education in Bulgaria. They require greater financial and non-financial support to succeed in higher education institutions, particularly when studying in fields that are considered national priorities.

Table 1.3.Opportunity 3: Making vocational and higher education more responsive to labour market needs

Policy directions	High-level recommendations
Strengthening the role of employers and local actors in vocational education and training	1.8 Involve subnational vocational education and training stakeholders in the new sectoral skills councils and create fora for subnational stakeholders to discuss and improve the responsiveness of VET. 1.9 The Ministry of Education and Science (MES) and the Ministry of Labour and Social Policy should co-operate to improve financial and non-financial support to enterprises and students to engage in work-based learning.
Increasing the relevance of higher education to labour market needs	1.10 Strengthen higher education institutions' institutional capacity and incentives to use labour market information and align their educational offers to labour market needs. 1.11 Continue to provide financial aid and expand non-financial measures to support students from disadvantaged backgrounds in higher education, especially in programmes meeting priority skills needs.

Priority 2: Improving adult skills (Chapter 3)

Strengthening adult skills can benefit Bulgaria in both the short and long term. In the short term, improving adult skills through ongoing education and training can help to address current skills shortages in many sectors. Equally, it can help Bulgaria recover from the economic shocks of the COVID-19 crisis and, Russia's war of aggression against Ukraine, both of which have slowed the growth of the Bulgarian economy (OECD, 2022[20]). In the long term, improving adult education and training, and subsequently, adult skills, can help Bulgaria prepare for shifting skills demands and improve labour productivity, boosting the Bulgarian economy.

The participation in adult education and training in Bulgaria is the lowest in the European Union. Low participation is driven by an especially low motivation to engage in lifelong learning, with a much higher percentage of adults in Bulgaria not participating and not wanting to participate in education and training than in the European Union on average. Furthermore, despite evidence of low skill levels among adults in Bulgaria, Bulgaria has the highest share in the European Union of adults responding that they do not participate in adult education and training because there is "no need".

Even adults and employers in Bulgaria who are motivated and want to participate in adult learning face a number of barriers to doing so, most notably time and financial constraints. Scheduling and cost barriers are substantially greater in Bulgaria than in the European Union on average for both adults and employers. Project participants emphasised the need for greater flexibility and accessibility to help a wider range of adults fit learning into their work and personal schedules.

Regarding the quality and relevance of adult education and training, adults in Bulgaria are more likely to cite the lack of a suitable offer for education and training as a barrier to participating than in the European Union on average. Project participants also noted a lack of mechanisms for evaluating and improving the quality of adult education, training options and instructors as a barrier to raising adult skill levels in Bulgaria.

Opportunity 1: Increasing motivation among adults and employers to participate in adult learning

Adults and employers are more likely to feel motivated to participate in upskilling and reskilling activities if they are aware of the general benefits of lifelong learning and believe that participating in these activities will benefit them and lead to desired outcomes. During consultations, project participants cited low motivation as one of the primary challenges that needs to be addressed to improve adult skills in Bulgaria. Low motivation among individuals and employers can be boosted by better guidance and support. However, Bulgaria's current infrastructure for adult career guidance is substantially underdeveloped and underfunded. Similarly, evidence shows that employers in Bulgaria do not often assess their future skills needs, and there is a lack of guidance and support to help them do so. Assessment of training needs is even more difficult for smaller enterprises. Both individuals and employers in Bulgaria also lack financial motivation to improve adult skills. Bulgaria's existing financial incentives for adult learners appear to be insufficient for improving adult learning rates and do not successfully account for greater challenges faced by vulnerable groups. Employers in Bulgaria also face significant cost barriers to providing or supporting adult education and training for their employees, which are particularly acute for smaller-sized enterprises.

Table 1.4.Opportunity 1: Increasing motivation among adults and employers to participate in adult learning

Policy directions	High-level recommendations
Improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	2.1 Strengthen holistic career guidance services for employed adults by expanding the capacity and quality of information and guidance centres. 2.2 Strengthen support to employers to assess their skills and training needs.
Improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	2.3 Expand individual training vouchers, while differentiating support to better target vulnerable groups. 2.4 Better engage small- and medium-sized enterprises in adult education and training by piloting a sectoral training fund(s), with relatively higher support for smaller-sized enterprises.

Opportunity 2: Making education and training more flexible and accessible for adults and employers

Improving the flexibility and accessibility of adult education and training provision is crucial to improving the participation of adults in lifelong learning. International evidence supports this, suggesting that flexibility in format and design (e.g. part-time, online, non-formal, micro-credentials) can help overcome time- and distance-related barriers (OECD, 2019[21]). Thus, flexibility is particularly important in Bulgaria, where schedule and distance are among the main barriers cited by individuals who want to but do not participate in adult learning. While Bulgaria currently has some flexible learning opportunities for adults, most notably partial qualification courses, these courses are not optimal for flexible adult learning because of their current funding, recognition and quality assurance mechanisms. Furthermore, adult learning that is flexible to the needs of employers is limited in Bulgaria by barriers to employers providing training in the workplace and/or during work hours. In addition, while shortening and simplifying learning pathways through the recognition of prior learning (RPL) can improve adult skills and participation in adult learning, the take-up of RPL remains low in Bulgaria. At the same time, while participation in adult upskilling and reskilling is generally low in Bulgaria, it lags even further behind for low-skilled adults. Easing access to basic education for adults can make adult learning more accessible to a wider range of individuals, encouraging greater participation.

Table 1.5.Opportunity 2: Making education and training more flexible and accessible for adults and employers

Policy directions	High-level recommendations
Improving the flexibility of adult education and training offers	2.5 Introduce financial incentives for employers to increase employee education and training opportunities during working hours, with higher support for small- and medium-sized enterprises. 2.6 Support and promote existing flexible adult education and training opportunities, including partial qualification courses.
Making learning more accessible for low-skilled adults	2.7 Reform the recognition of prior learning system for adults to encourage greater uptake of RPL services. 2.8 Ease access to adult basic education and expand basic education opportunities for learners in other education and training programmes.

Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers

An extremely important aspect of making adult learning attractive to adults in Bulgaria is ensuring that adult learning opportunities are of high quality and teaching skills relevant to Bulgaria's current and future labour market. It is difficult to assess the quality of adult learning opportunities in Bulgaria due to a lack of relevant evidence for doing so, but there are indications that the quality is not particularly high. *Ex ante* quality assurance needs to be strengthened, and *ex post* quality assurance mechanisms need to be put in place in Bulgaria. While there are indications that the quality of teaching by adult learning trainers could be improved, Bulgaria lacks plans to address the low qualifications and capabilities of adult education trainers. In addition to challenges related to quality, low participation in adult learning in Bulgaria may be related to the perception that adult learning is not relevant to the needs of learners and employers. Adult learning opportunities in Bulgaria can be made more relevant by involving employers in designing adult education and training programmes, a practice that is not very prevalent in Bulgaria. Furthermore, the system currently in place to promote study in fields of national strategic importance in initial education is not sufficiently extended to adult learning.

Table 1.6.Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers

Policy directions	High-level recommendations
Improving the quality of adult learning opportunities	2.9 Strengthen *ex ante* assessment of adult learning providers and develop a system for independent, *ex post* monitoring and assessment of adult learning quality and outcomes. 2.10 Strengthen initial and continuing professional development for adult learning trainers.
Making adult learning more relevant to learners' and labour market needs	2.11 Increase the involvement of employers in the design of adult education and training programmes. 2.12 Develop a list of prioritised areas for adult education and training to inform differentiated public subsidies for adult learners in areas of skills shortages and/or of strategic economic importance.

Priority 3: Using skills effectively in the labour market and at work (Chapter 4)

The benefits of developing skills will be maximised only if policies also support people to supply their skills in the labour market and use them effectively at work. This entails using skills in various dimensions – activating the skills of Bulgaria's working-age population, utilising the skills of return migrants and skilled immigrants and utilising workers' skills effectively at work.

Better activating the skills of vulnerable groups in Bulgaria's labour market will be essential for improving overall skills use in the labour market. The majority of Bulgaria's unemployed or inactive adults are from often overlapping, vulnerable groups. Out-of-work adults from these vulnerable groups require proactive, tailored and high-quality services from the public employment service, in close and efficient co-operation with other relevant stakeholders due to the myriad barriers to employment they face.

Making the most of skills and minimising skills imbalances in Bulgaria's economy also require effective policies to foster the return emigration of Bulgarian nationals and the skilled immigration of foreign nationals. High emigration rates in Bulgaria have shrunk the labour force and contributed to chronic labour shortages in the country. Return migration can bring positive effects as emigrants acquire new experiences and values, develop new networks and learn new skills while working abroad. Likewise, foreign skilled immigrants can bring similar benefits, especially for priority sectors and those facing shortages.

Realising the benefits of skills development also requires policies to ensure that workers' skills are used effectively at work. A higher intensity of skills use at work is associated with higher job satisfaction, wages and productivity for workers, and higher output and innovation for employers. The organisation of workplaces is arguably the most important determinant of skills use. Practices known to positively affect the performance of employees and businesses are referred to as high-performance workplace practices (HPWPs). These include work flexibility and autonomy, teamwork and information sharing, training and development, career progression and performance management.

Opportunity 1: Activating the skills of vulnerable groups in the labour market

Activating the skills of adults from vulnerable groups requires connecting more of them to Bulgaria's National Employment Agency (NEA). However, unemployed and inactive adults from vulnerable groups do not currently have strong incentives to register with Bulgaria's public employment service. While Bulgaria's outreach efforts to unemployed and inactive adults from vulnerable groups appear to be insufficient, Bulgaria lacks evidence on the efficacy of these efforts to determine whether some should be expanded or ceased. Once in contact with the NEA, unemployed adults from vulnerable groups need intensive and tailored support to activate their skills in the labour market. Unemployed adults from vulnerable groups tend to receive less attention from Bulgaria's NEA caseworkers than other unemployed adults, in part reflecting caseworkers' high workloads and outdated client-profiling tools. Most of Bulgaria's unemployed adults from vulnerable groups have low levels of skills and education and so need to upskill or reskill in order to gain stable employment. However, investments in training for unemployed adults in Bulgaria are relatively low and volatile, and few unemployed adults from vulnerable groups receive training under active labour market policies.

Table 1.7.Opportunity 1: Activating the skills of vulnerable groups in the labour market

Policy directions	High-level recommendations
Connecting more vulnerable adults to public employment services	3.1 Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency and participate in active labour market policies by making benefits more accessible and generous. 3.2 Evaluate the efficacy of Bulgaria's existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes.
Expanding and tailoring employment services for vulnerable groups of adults	3.3 Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs. 3.4 Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes by increasing the supply and demand for these programmes.

Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria

A major challenge and opportunity for using skills in Bulgaria's labour market and reducing skills imbalances is migration. High emigration and low return emigration, as well as low levels of skilled immigration of EU citizens and third-country nationals (TCNs), have limited Bulgaria's ability to use people's skills and address skills shortages. The first step towards fostering return emigration and skilled immigration is to make them a high priority in the national policy agenda. However, Bulgaria lacks cross-cutting and consistent buy-in for fostering return emigration and skilled immigration. Existing strategies do not set a clear, compelling vision and plan for fostering return emigration and skilled immigration. The public bodies with formal responsibilities for immigration have limited initiatives and co-ordination mechanisms to this end. A second step towards fostering return emigration and skilled immigration for Bulgaria is to develop effective policy measures and services targeting potential and arrived return emigrants and skilled immigrants. Bulgaria lacks outreach and communications measures for potential return emigrants and skilled immigrants. Return emigrants face some challenges integrating into Bulgaria's local labour market, and the same appears true of skilled immigrants. TCNs' access to Bulgaria's labour market has improved, but this has not clearly translated into higher skilled immigration or better employment outcomes. Bulgaria lacks support measures to help return emigrants and skilled immigrants successfully (re-)integrate into the labour market, or to adjust to other aspects of life in Bulgaria, such as schooling, healthcare and taxation, among others.

Table 1.8.Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria

Policy directions	High-level recommendations
Prioritising return emigration and skilled immigration in Bulgaria's skills agenda	3.5 Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration. 3.6 Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies.
Reaching and supporting return migrants and skilled immigrants	3.7 Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria. 3.8 Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society.

Opportunity 3: Supporting enterprises to utilise workers' skills more effectively

A country can successfully develop, activate and attract skills but fail to realise the full benefits of those skills if they are not used effectively at work. Indeed, some project participants argued that employers would need to better utilise workers' skills for the country to fully benefit from skills. Bulgaria will need to raise awareness of skills use in workplaces and HPWPs through inclusion in national, regional and sectoral strategies, as well as the dissemination of knowledge and good practices on HPWPs through targeted

campaigns and centralised online information. Bulgarian strategies and policies tend not to give attention to skills use and HPWPs in workplaces. There also appears to be a limited understanding of the importance and concepts of skills use and HPWPs among policy makers and enterprises in Bulgaria. Project participants confirmed that small- and medium-sized enterprises (SMEs) lack the capacity to modernise workplace practices, such as HPWPs, and likely require targeted support to do so. Bulgaria lacks measures to support enterprises in adopting HPWPs. Bulgaria could potentially build on certain existing programmes and adapt good practices from other countries to support enterprises in adopting HPWPs.

Table 1.9.Opportunity 3: Supporting enterprises to utilise workers' skills more effectively

Policy directions	High-level recommendations
Raising awareness of effective skills use in Bulgarian workplaces	3.9 Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills. 3.10 Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals.
Supporting employers to improve skills use and adopt high-performance workplace practices	3.11 Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals. 3.12 Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs.

Priority 4: Improving the governance of the skills system (Chapter 5)

A wide range of actors in Bulgaria have an interest in and influence the success of policies to develop and use people's skills. They include ministries of the central government, subnational authorities, education and training institutions, workers and trade unions, employers and their associations, civil society organisations and others. As a result, governing skills policies can be complex and multi-faceted, requiring co-ordination between a wide variety of institutions in policy design and delivery, financing, reform and day-to-day administration. Good governance is an enabling condition for successful skills policies and involves effective whole-of-government co-ordination, stakeholder engagement, integrated information systems and co-ordinated financing arrangements.

A whole-of-government approach includes horizontal co-ordination between different ministries of government with a stake in skills policy, as well as vertical co-ordination between different levels of government (such as the municipal level, the regional level and the central government). Such an approach can prevent overlaps and gaps in skills policies and ensure that authorities and policies are working together coherently towards complementary goals. Stakeholder engagement can occur during policy design, implementation and evaluation, and ranges from stakeholders voicing their interests or concerns to taking responsibility for implementing skills policies. Effective engagement can provide important intelligence for policy makers and build stakeholders' buy-in, all of which help to ensure the success of skills policies.

To cope with the inherent complexity and uncertainty of skills investments, integrated information systems on skills needs and outcomes are necessary for actors in the skills system. Such systems help the government to develop evidence-based skills policies; learning institutions to provide relevant and responsive courses; employers to plan hiring and training; and individuals to make informed learning and career decisions. Finally, aligning and co-ordinating skills financing arrangements involves responsible ministries allocating public funding for skills in a coherent way that minimises gaps and overlaps and maximises impacts. This includes ensuring sufficient funding for each stage of learning over the life course. Co-ordinated financing also involves leveraging funding from supra-national sources (such as the European Union) and private sources (employers, workers and their representatives) to ensure that beneficiaries pay according to their capacity and that skills funding is sustainable in the long term.

Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies

At the national level, there is a need to better co-ordinate different ministries and agencies, as existing arrangements such as the Council of Ministers and ad hoc bilateral arrangements are insufficient to ensure a whole-of-government approach to skills. Bulgaria lacks an overarching skills body to lead and oversee the skills system and to manage and co-ordinate different actors, institutions and strategies, including those currently planned at sector and local levels. Bilateral and multilateral relationships between ministries, agencies and municipalities in the area of skills policy could be strengthened. Currently, Bulgaria lacks co-ordination mechanisms like memoranda of understanding, joint policy projects and delivery teams, partnership agreements, etc., to strengthen co-operation on skills. Beyond government, project participants reported fragmentation in the involvement of stakeholders in Bulgaria's skills system. Existing advisory bodies, such as the Consultative Council for VET and the planned sectoral skills councils, have the potential to facilitate effective stakeholder engagement but are currently limited in their scope and do not take a skills-system-wide perspective. In addition, employers, trade unions, providers and subnational actors should be more systematically engaged and involved during policy design and implementation, including piloting initiatives and data collection and analysis.

Table 1.10.Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies

Policy directions	High-level recommendations
Developing a whole-of-government approach to skills policies	4.1 Improve whole-of-government leadership, oversight and co-ordination of the skills system by creating a permanent Skills Policy Council for Bulgaria. 4.2 Identify and strengthen the most important bilateral inter-ministerial relationships for skills policies, including through joint projects and other formalised co-ordination actions.
Engaging stakeholders effectively for skills policy making	4.3 Strengthen and extend the Consultative Council for Vocational Education and Training to become a formal committee that works across and supports the whole skills system, reporting to and advising the Skills Policy Council. 4.4 Ensure the planned sectoral skills councils include all relevant stakeholders and that they support the skills system as a whole.

Opportunity 2: Building and better utilising evidence in skills development and use

Project participants expressed concerns that Bulgaria lacks high-quality information on skills needs in the labour market and on how well the government's various skills policies and programmes are working. Bulgaria's skills assessment and anticipation (SAA) includes numerous activities, such as quantitative forecasts, assessments of workforce skillsets and needs, surveys of employers and sectoral studies. However, the generated information sometimes lacks detail or relevance for end-users, such as education and training providers seeking to update their programmes or counsellors seeking to provide advice and guidance to learners and workers. Furthermore, the results of SAA activities are not systematically used by the ministries involved in skills policy. There is also a lack of monitoring and evaluation of education, training and labour market programmes, which hinders Bulgaria's understanding of what is working and how best to direct public finances. Authorities often lack the capacity to systematically undertake high-quality analysis and evaluations of skills policies and do not utilise the capacity of experts to their potential.

Table 1.11.Opportunity 2: Building and better utilising evidence in skills development and use

Policy directions	High-level recommendations
Improving the quality and use of skills needs information	4.5 Develop a more comprehensive and consolidated skills assessment and anticipation approach for use by all key actors in the skills system.
Improving the quality and use of performance data and evaluation evidence in skills policy	4.6 Create a cross-government data and evidence centre responsible for collating and improving skills data and evaluation evidence.

Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies

There are four principal funding sources for education and training in Bulgaria: the state budget, European Structural and Investment Funds, employers and learners. In 2019, public expenditure on formal education per student in Bulgaria was below the EU average at all levels of education, from early childhood to tertiary education, even after adjusting for differences in purchasing power between countries. While secondary VET is state-funded at a higher rate per student than general education, VET centres and continuing VET for adults are mostly private, and training is often self-funded by learners, employers, or, in some cases, through EU funding. As noted earlier, public funding for adult learning and training active labour market policies for unemployed persons also appears low and not well-targeted in some instances. In addition, Bulgaria currently lacks a clearly defined and sustainable financing model and principles for sharing the costs of skills development between the state, employers and individuals. More robust and ongoing evaluation of existing spending across the skills system could enable the government to allocate – or reallocate – funding to those activities where there is the most return on investment.

Table 1.12.Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies

Policy directions	High-level recommendations
Increasing and reallocating spending on skills development and use	4.7 Set medium- and longer-term targets for increasing expenditure on skills development in the new Action Plan for Skills. 4.8 Evaluate existing spending across the skills system with the aim of reallocating resources to the activities offering the greatest returns.
Effectively sharing the costs of skills development	4.9 Define and find agreement on a clear overarching division of responsibility for funding skills development – between government (local and national), employers and individuals.

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Annex 1.A. The OECD Skills Strategy Dashboard for Bulgaria

This annex presents the OECD Skills Strategy Dashboard, which presents the performance of skills systems in OECD countries. It is the starting point for analysis in the diagnostic phase of Skills Strategy projects and allows the OECD and a country project team to identify the priority skills policy themes to be covered in greater detail. Presenting the relative position of countries on key skills outcomes, the dashboard provides a general overview of the strengths and weaknesses of a given country or region's skills system. This annex describes the characteristics, presents the indicators and describes the underlying methods for calculating the indicators.

Characteristics

The OECD Skills Strategy Dashboard for Bulgaria is the result of internal consultation and analysis of core indicators used in OECD Skills Strategy projects. It presents a simple, intuitive overview of the outcomes of skills systems that is easy to interpret. It provides a quick overview of Bulgaria's skills performance across the dimensions of the OECD Skills Strategy ("developing relevant skills" and "putting skills to effective use"). The dashboard applies a broad definition of skills by presenting foundational skills, problem-solving skills and breadth of skillsets, and considers both economic and social outcomes. A total of 33 key outcome indicators were selected and grouped into 16 aggregated indicators.

Indicator selection

The selection of indicators followed a process whereby a longlist of the most commonly used indicators in OECD Skills Strategy reports was gradually reduced to a shortlist of core indicators. This process built on the principle that the indicators describe the core outcomes of the different dimensions of the skills system. In addition, these indicators express outcomes in terms of level, trend, distribution and equity. The indicators need to be comparatively easy to interpret and based on OECD sources, using the most recently available.

Method for the calculation of aggregate indicators

To develop aggregate indicators that represent the relative position of countries on key outcomes of the skills system, a number of calculations were made on the collected data. To describe the relative position across countries, a score for each indicator was calculated ranging from 0 to 10, with 0 for the weakest performance and 10 for the strongest performance. This resulted in an indicator that allows comparisons between different types of indicators (e.g. averaging the performance of literacy scores and educational attainment rates). The resulting scores were normalised in such a way that better performance results in a higher score. Subsequently, an unweighted average of the indicators was calculated for each of the aggregates, and these scores were then ranked. The final ranking was separated into five groups of equal size, ranging from "Top 20% performer" to "Bottom 20% performer". Aggregate indicators are only presented in the dashboard when more than half of the underlying indicators have data available.

Annex Table 1.A.1. The OECD Skills Strategy Dashboard: Dimensions, indicators and sources

Dimension and aggregates	Indicator	Source
Developing relevant skills		
How skilled are youth?	Reading (PISA), mean score, 2018	OECD (2019[22]), *PISA 2018 Results (Volume I): What Students Know and Can Do*, https://doi.org/10.1787/5f07c754-en.
	Mathematics (PISA), mean score, 2018	
	Science (PISA), mean score, 2018	
Are the skills of youth improving?	PISA average three-year trend (reading, mathematics, science)[1]	
Are the skills of youth being developed inclusively?	PISA ESCS parity index, reading performance, 2018	
How many young adults attain tertiary education?	Tertiary education attainment rate, 25-34 year-olds, 2021[2]	Eurostat (2023), population by educational attainment level, sex and age (%) [edat_lfs_9903]
What is the quality of tertiary education?	Public expenditure on tertiary education, % of GDP, 2019	Eurostat (2023), Public expenditure on education by education level and programme orientation, as % of GDP [educ_uoe_fine06]
	Student-academic staff ratio, tertiary, 2020	Eurostat (2023), Education administrative data [educ_uoe_perp04]
How inclusive is tertiary education?	Share of tertiary educated with low-educated parents, 25-59 year-olds, 2019	Eurostat (2019), EU Survey on Income and Living Conditions, ad hoc module 2011
How strong are the digital skills of adults?	Above-basic overall digital skills, % 25-64 year-olds, 2019	Eurostat (2023), Survey on ICT Usage by Households and Individuals [isoc_sk_dskl_i]
Is there a strong culture of adult education?	Participation rate in education and training (LFS), last 4 weeks, 2021	Eurostat (2023), Labour Force Survey 2018
	Formal, non-formal adult education participation rate (AES), last 12 months, 2016	Eurostat (2018), Adult Education Survey 2016
	Willing to participate in adult education (AES), % of population, 2011/16	
	Barriers to participation (AES), % of people wanting to participate who did not, 2016	
Are employees and enterprises involved in continuing vocational training?	Share employees participating in CVT courses, 2020	Eurostat (2022), Continuing Vocational Training Survey 2020 (CVTS) [trng_cvt_12s]
How inclusive is adult education?	Gender (m-f), adult education participation rate difference (AES), 2016	Eurostat (2018), Adult Education Survey 2016
	High-low educated, adult education participation rate difference (AES), 2016	
Putting skills to effective use		
How well are skills activated in the labour market?	Employment rate, 15-64 year-olds, 2021	Eurostat (2023), Labour Force Survey [lfsi_emp_a]
	Labour force participation rate, 2021	Eurostat (2023), Labour Force Survey [lfsi_emp_a]
	Youth not in employment, education or training (NEET), % of 15-29 year-olds, 2021	Eurostat (2023), Transition from education to work [edat_lfse_20]
How inclusive is the labour market?	Gender (m-f), difference employment rate, 2021	Eurostat (2023), Labour Force Survey [lfsa_ergan]
	High-low educated, difference employment rate, 2021	Eurostat (2023), Labour Force Survey [lfsa_ergaed]
How well aligned are skills with the labour market?	Percentage of enterprises where fewer than 40% of employees have th eskills that are about right to do the job, 2019	Eurofound (2019), European Company Survey 2019
Are skills used to support active, engaged citizenship?	Share of adults participating in formal voluntary activities, 2015	Eurostat (2018), Statistics on income and living conditions (EU-SILC)
	Share of adults participating in informal voluntary activities, 2015	
Do people use their skills intensively in daily life?	Share of adults with active citizenship, 2015	Eurostat (2018), Statistics on income and living conditions (EU-SILC)
	Under-skilling, share of employees with skills lower than required for job, 2014	CEDEFOP (2014), European Skills and Jobs Survey
Do firms adopt high-performance workplace practices?	Percentage of enterprises with high levels of job complexity and autonomy	Eurofound (2019), European Company Survey 2019

Dimension and aggregates	Indicator	Source
Is skills use stimulated by innovation?	Total R&D personnel, % of total employment, 2018-2020	Eurostat (2023), Total R&D personnel and researchers by sectors of performance, as % of total labour force and total employment, and by sex [rd_p_perslf]
	Patent applications European Patent office, per million inhabitants, 2017	Eurostat (2019), Patent applications to the EPO by priority year

Note: Indicators without a specific source between brackets are OECD indicators from OECD Data (https://data.oecd.org/home/).
1. The average trend is reported for the longest available period since PISA 2006 for science, PISA 2009 for reading, and PISA 2003 for mathematics.
2. Labour market imbalances, average standard deviation across occupations in wages, employment, hours worked, unemployment and under-qualifications, 2015/17.
Acronyms and abbreviations used in this table: PISA: Programme for International Student Assessment; ESCS: Economic, social and cultural status; LFS: Labour Force Survey; AES: Adult Education Survey; CVT: Continuing vocational training; R&D: Research and development.

Annex 1.B. Strategies and recent reforms in Bulgaria related to skills and education

Annex Table 1.B.1. Recent strategies and reforms in Bulgaria related to skills and education

Strategies/reforms	Year	Overview
National Development Programme (NDP) "Bulgaria 2030"	2020	"Bulgaria 2030" is Bulgaria's highest strategic document. It determines the vision of the development policies in all government sectors for the decade. Three strategic goals have been determined: accelerated economic development, demographic upswing and reduction of inequalities, to be achieved through 13 national priorities.
National Recovery and Resilience Plan	2022	This plan sets out the reforms and public investment projects Bulgaria plans to implement to emerge stronger from the COVID-19 pandemic and push forward the green and digital transitions. It is financed with the support of the EU Recovery and Resilience Facility.
Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria (2021-2030)	2021	This document outlines the principles and priorities for developing education and training for the coming decade. It corresponds to the objectives of Priority 1 of the NDP.
Employment Strategy of the Republic of Bulgaria (2021-2030)	2021	This strategy lays out Bulgaria's commitments in the field of employment, deriving from the Action Plan of the European Pillar of Social Rights. Its main objective is to improve the quantity and the quality of employment, with a special focus on vulnerable groups.
National Strategy for Lifelong Learning (2014-2020)	2014	This strategy aims to improve lifelong learning in Bulgaria by implementing a co-ordinated education and training system covering all ages and focusing on educational quality, equality, and corresponding to labour market needs.
Strategy for the Development of Higher Education in the Republic of Bulgaria (2021-2030)	2020	This strategy sets the policy directions in higher education for the next decade with a special focus on increasing the quality, digitalisation, accessibility and competitiveness of Bulgarian universities.
National Employment Action Plan (2022)	2022	This plan aims to create the conditions to reduce imbalances in the labour market with a special focus on disadvantaged groups. The National Employment Action Plans are updated annually.
National Strategy for Promotion and Improvement of Literacy Skills (2014-2020)	2014	This strategy aims to increase the quality, affordability and accessibility of literacy courses and to make functional literacy a national priority.
Operational Programme for Human Resource Development (OPHRD) (2014-2020)	2014	This OP aims to boost employment, reduce social exclusion and fight against poverty. It is co-financed by the European Union. The next programme – OPHRD (2021-2027) – should be adopted in the course of 2022.
Partnership Agreement with Bulgaria (2021-2027)	2022	This agreement with the European Commission defines Bulgaria's cohesion policy investment strategy. Its objective is to promote economic, social and territorial cohesion in Bulgarian regions and help implement key EU priorities, such as the green and digital transition.
Innovative Strategy for Smart Specialisation (2014-2020)	2014	This strategy identifies thematic areas to develop the innovation potential of Bulgaria. It is the basis for implementing the Operational Programme for Innovation and Competitiveness (2014-2020), which provides funding opportunities to accelerate the transition to a knowledge-based economy.
Programme "Education" (PE) (2021-2027)	2021	This programme is one of the main tools for implementing Priority 1 of the NDP, the Strategic Framework of Education (2021-2030) and the Strategy for the Development of Higher Education (2021-2030).
Action Plan of the Employment Agency 2022	2022	This action plan envisions the Employment Agency as a new-generation intermediary, technologically and professionally adapted to the dynamics and challenges of the market as well as the needs of job seekers and job providers.
Strategy for Development of Vocational Education and Training in the Republic of Bulgaria (2015-2020)	2015	This strategy aims to improve the quality and accessibility of VET in Bulgaria. An updated document has been issued to actualise the strategy for 2019-21. The development of VET was subsequently included in the Framework for Development of Education, Training and Learning (2021-2030).

Source: Government of Bulgaria (2022[23]), Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria.

Annex 1.C. Full policy recommendations for Bulgaria

This annex presents the OECD's full policy recommendations for Bulgaria arising from this project. These recommendations and the analysis, evidence and international examples that support them can be found in Chapters 2-5.

Priority 1: Improving youth skills (Chapter 2)

Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills

Annex Table 1.C.1. Policy recommendations for ensuring that curriculum reform and assessment practices improve students' skills

Policy directions	Recommendations
Building awareness and capacity for curriculum implementation	**1.1. Increase education stakeholders buy-in to the vision for curriculum reform and develop a detailed action plan with these stakeholders to facilitate implementation**. MES should increase efforts to clearly communicate the rationale, expected benefits and desired outcomes related to the implementation of curriculum reform to education stakeholders (e.g. government officials, experts, teachers, school leaders and local authorities). These communication efforts should be accompanied by a detailed action plan that articulates how the vision will be translated to changes at the classroom level. The action plan should identify the key activities, timelines, resources, indicators and responsible actors to implement the curriculum reform. This includes setting out what resources and tools will be available to schools and teachers (e.g. teacher training on the competency-based curricula), and defining relevant indicators and targets to monitor reform implementation.
	1.2. Reinforce the capacity of regional education departments to provide methodological support to teachers in implementing the competency-based curriculum. MES should reinforce the capacity of (Regional Education Departments (REDs) to provide methodological support to teachers and school communities in developing practices focused on students' acquisition of key competencies. To do so, MES should review REDs' capacity and resources. It should subsequently build capacity within REDs through staff training to support and mentor teachers on the competency-based curriculum (e.g. how to develop and apply competency-based curricula). MES should also increase REDs' resources as needed while improving monitoring of REDs' activities to ensure effective support for implementing the competency-based curriculum.
Aligning external assessments with the competency-based curriculum	**1.3. Strengthen the national external assessment system by accelerating efforts to align it with the competency-based curriculum.** The Centre for Evaluation of Pre-school and School Education (CAPSE) should introduce test items that are able to assess students' competencies in relevant, practical contexts and focus less on student memorisation of knowledge. This could include introducing constructed-response items that measure a student's ability to formulate an argument and defend a point of view. CAPSE should develop an item bank with calibrated test items to increase the validity of the test. The agency should also prioritise investments in other essential psychometric resources to strengthen the national assessment system, such as installing a criterion-referenced scoring process to compare results over time. This would involve introducing performance levels and aligning these with Bulgaria's national learning standards. MES should work closely with and support CAPSE to ensure the agency has sufficient financial and technical resources to implement these reforms to the national external assessments.

Opportunity 2: Developing a highly skilled teaching workforce

Annex Table 1.C.2. Policy recommendations for developing a highly skilled teaching workforce

Policy Directions	Recommendations
Selecting and preparing high-quality teaching candidates	**1.4. Introduce a more selective and comprehensive admission system for initial teacher education to ensure the suitability and quality of teaching candidates**. MES should create a working group gathering university representatives to encourage initial teacher education (ITE) providers to establish a common minimum threshold score for ITE admission. The threshold score should be based on State Matura scores and ensure that candidates have achieved a basic level of competency in key subject areas assessed by the State Matura. The working group should also be responsible for developing additional, more comprehensive selection criteria for assessing ITE applicants. This could include structured interviews and aptitude tests to assess both academic ability and candidates' non-cognitive skills (such as motivation, commitment, interpersonal skills, etc.). The working group should also discuss the weight to be given to the different criteria in the new ITE admission system.
	1.5. Improve the quality and relevance of initial teacher education by aligning it more closely with classroom practice, including by expanding and supporting teaching practicum. The Bulgarian Government should raise the minimum requirements for practical training during initial teacher education (ITE) to increase teachers' time in classrooms. In parallel, Bulgaria should better prepare teacher mentors for their roles, including through mandatory training. MES should also work with university representatives to expand the pool of schools available to teacher trainees. The pool of schools available for teacher practicum should be diversified and include schools from disadvantaged areas. MES should also work with university representatives to diversify the profile of teachers delivering course content during ITE, including inviting more current teachers to ITE classrooms. In particular, teachers working in rural and disadvantaged schools should be included in such an initiative to expose teacher candidates to a diverse range of classroom experiences and teaching methods.
Monitoring and improving teachers' continuing professional development	**1.6. Align continuing professional development programmes more closely to teachers' training needs by improving the collection and use of appraisal, assessment and evaluation data in CPD planning**. MES should ensure that the priority areas for CPD in the National Programme for Qualifications are based on comprehensive and timely information about the learning needs of teachers. For this purpose, MES should systematically collect, synthesise and use aggregated findings on training needs from teacher appraisals, students' results from national external assessments and school results from external evaluations and information from classroom observations. CPD providers should then be required to develop their programmes around those priorities. Teachers and principals should also be supported to identify and communicate their training needs. To complement the current appraisal system, MES should consider introducing an annual, school-based formative appraisal to generate evidence on teachers' and principals' training needs. Results from these school-based assessments should then be used to link schools' annual professional development plans to teachers' and principals' learning needs.
	1.7. Strengthen the quality assurance of teachers' continuing professional development by expanding *ex ante* evaluation and introducing systematic *ex post* evaluation of the outcomes of CPD. MES should ensure that all CPD programmes leading to teacher qualification credits are approved and registered in the Information Register of the Approved Qualification Programmes (IRAQP). The ministry should also introduce a data-driven, systematic approach to monitoring the quality of all registered CPD programmes over time. As a starting point, MES should make sure that CPD providers offering programmes that receive poor feedback in the MES's new teacher feedback mechanism be inspected. MES should also introduce indicators to evaluate programmes' effectiveness. These could include outcome indicators (e.g. new knowledge and skills for teachers; improved quality of student-teacher interaction based on teachers' surveys and teacher appraisals) and process indicators (e.g. material, equipment, and facilities; number of training hours delivered). In the long term, the ministry should invest in capacity building to ensure all registered CPD providers are re-assessed on an ongoing basis based on the measured quality of their CPD offerings.

Opportunity 3: Making vocational and higher education more responsive to labour market needs

Annex Table 1.C.3. Policy recommendations for making vocational and higher education more responsive to labour market needs

Policy Directions	Recommendations
Strengthening the role of employers and local actors in vocational education and training	**1.8. Involve subnational vocational education and training stakeholders in the new sectoral skills councils and create fora for subnational stakeholders to discuss and improve the responsiveness of VET.** The Bulgarian Government should ensure that its sectoral skills councils (SSCs), which will be established in 2023, include representatives from the subnational level. This could be in the form of dedicated members or committees representing particular geographical regions. In parallel, Bulgaria should utilise District Development Councils to strengthen districts' input to initial VET provision, including on designing and updating the initial VET curriculum. The government should consider creating skills or VET committees under District Development Councils and including VET stakeholders in these bodies. These committees should provide VET-relevant insights to the central government, SSCs and local VET schools, including about local skills needs. Finally, each of these bodies should seek to support schools and employers to expand WBL and apprenticeships in initial VET (see Recommendation 1.9).
	1.9. MES and the Ministry of Labour and Social Policy should co-operate to improve financial and non-financial support to enterprises and students to engage in work-based learning (WBL). Bulgaria should encourage and support businesses, especially SMEs, to provide work-based learning opportunities to VET students. This could be done by providing apprentice wage subsidies and subsidising student mentors' training. The government should also offer incentives to set up training associations to share the costs of organising apprenticeships among groups of SMEs. In addition, the sectoral skills councils and any new subnational VET fora (see Recommendation 1.8) should have responsibility for supporting employers and schools to expand WBL in VET. They could do this, for example, by helping to establish partnerships between schools and employers and informing enterprises about government incentives for apprenticeships. Finally, government and municipalities should increase subsidised transportation for secondary VET students to attend school and WBL.
Increasing the relevance of higher education to labour market needs	**1.10. Strengthen higher education institutions' institutional capacity and incentives to use labour market information and align their educational offers to labour market needs.** The data collected under the planned national graduate survey should be combined with relevant information from BURS and made available to higher education institutions in an accessible and user-friendly way. The most important indicators should be presented annually to higher education institutions, for example, in the form of automatically generated factsheets. Authorities and higher education institutions should discuss and agree on the most useful data to include in such factsheets. At a minimum, they should include graduate labour market outcomes (employment status, field of study (mis-match, under-/over-qualification, etc.) by degree programme and level of study. MES should also adjust public higher education funding settings to increase completions in fields facing shortages and/or being of strategic importance. When determining the number of state-subsidised places by field and region, MES should utilise information from the planned national graduate survey and the improved skills assessment and anticipation activities proposed in Chapter 5. MES should also make greater use of performance-based funding in higher education by increasing the share of institutions' funding based on the employment outcomes of their graduates.
	1.11. Continue to provide financial aid and expand non-financial measures to support students from disadvantaged backgrounds in higher education, especially in programmes meeting priority skills needs. In the context of declining higher education enrolments, persistent skills imbalances, and unequal access to higher education, MES should continue to provide financial incentives to disadvantaged students (e.g. scholarships) to access higher education. In addition, MES should incentivise higher education institutions to implement non-financial support for disadvantaged students to succeed in university programmes. This should include earmarked and/or performance-based funding to public higher education institutions to identify and support students at risk of attrition, for example, through mentoring and counselling, bridging courses (e.g. in mathematics or literacy) and other tailored interventions. The ministry should prioritise such financial support for institutions offering programmes that meet critical skills needs in the labour market.

Priority 2: Improving adult skills (Chapter 3)

Opportunity 1: Increasing motivation among adults and employers to participate in adult learning

Annex Table 1.C.4. Policy recommendations for increasing motivation among adults and employers to participate in adult learning

Policy Directions	Recommendations
Improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	**2.1. Strengthen holistic career guidance services for employed adults by expanding the capacity and quality of information and guidance centres.** The National Agency for Vocational Education and Training (NAVET), in collaboration with MES and the Ministry of Labour and Social Policy (MLSP), should launch a programme to improve the quality of existing information and guidance centres by providing resources, support and incentives for these centres to provide guidance and registration for guidance through multiple ways (e.g. in person, via phone and on line). Furthermore, the programme should involve targeted outreach and tailored guidance for groups of vulnerable employed individuals such as older Bulgarians, low-skilled workers and individuals working in sectors at risk of automation.
	2.2. Strengthen support to employers to assess their skills and training needs. The MLSP, in collaboration with social partners, should strengthen information and support to employers, particularly SMEs, on assessing their skills and training needs (e.g. providing access to online skills assessment tools) and on finding suitable training opportunities to provide to their employees. Skills assessment tools should be developed by the MLSP, and skills assessment support and information could be provided by social partners or by expanded sectoral skills councils (see Chapter 5).
Improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	**2.3. Expand individual training vouchers, while differentiating support to better target vulnerable groups.** As a first step towards implementing ILAs in Bulgaria, the MLSP should collaborate with NAVET and MES to better design targeted financial incentives for individuals to participate in adult education and training. This can be done by extending the "vouchers for employees" scheme to all employed and unemployed individuals and reducing the co-finance rate for vulnerable groups, such as those with average or below qualification levels, older workers, low-income Bulgarians and individuals in occupations at risk of automation. Furthermore, to ensure the quality and relevance of this training, the list of courses that are eligible for the training vouchers should be from the areas of adult education and training of national and/or regional importance as determined by Recommendation 2.12 below (e.g. green skills, digital skills, etc.) and subject to the quality assurance mechanisms outlined in Recommendation 2.9.
	2.4. Better engage small- and medium-sized enterprises in adult education and training by piloting a sectoral training fund(s), with relatively higher support for smaller-sized enterprises. Bulgaria should pilot sectoral training funds in one or two sectors in order to raise enterprises' commitment to funding training for workers. Both enterprises and government should contribute to the fund, with smaller contributions from smaller firms. Contributing to the fund could be voluntary for firms in the first instance and, should uptake be low, made mandatory through a levy scheme. A dedicated institution (such as an expanded sectoral council recommended in Chapter 5) should oversee and support the implementation of the pilot, including by monitoring outcomes of education and training.

Opportunity 2: Making education and training more flexible and accessible for adults and employers

Annex Table 1.C.5. Policy recommendations for making education and training more flexible and accessible for adults and employers

Policy Directions	Recommendations
Improving the flexibility of adult education and training offers	**2.5. Introduce financial incentives for employers to increase employee education and training opportunities during working hours, with higher support for small- and medium-sized enterprises.** To make education and training more accessible and flexible for working adults, the MLSP should dedicate funds for a pilot programme to subsidise the costs to employers of providing education and training to employees during work hours. Funding could be provided to employers directly or via sectoral skills councils (see Chapter 5) in specific strategic sectors and/or for specific skills (e.g. digital skills). Funding should subsidise training fees and could also subsidise wages during training. Finally, funding should cover more training costs for SMEs than for large enterprises.
	2.6. Support and promote existing flexible adult education and training opportunities, including partial qualification courses. NAVET, in collaboration with MES and the MLSP, should support increased participation and quality in partial qualification courses. First, they should increase the affordability of partial qualification courses by including them on the list of approved courses for which individuals can redeem training vouchers (related to Recommendation 2.3). Second, they should improve the recognition of partial qualification awards to allow learners to transfer partial qualifications from one learning institution to another or from one "profession" of study to another (related to Recommendation 2.7). Third, they should strengthen the quality assurance of partial qualification courses to overcome the lack of regulation of these courses and build confidence in them among learners and employers (related to Recommendation 2.9). Finally, NAVET, MES and the MLSP should raise awareness about flexible courses, such as partial qualifications and online courses to employers, employed individuals, and education and training providers through holistic career guidance (see Recommendation 2.1) and other existing communications channels, such as business associations, trade unions and sectoral skills councils (see Chapter 5).
Making learning more accessible for low-skilled adults	**2.7. Reform the recognition of the prior learning (RPL) system for adults to encourage greater uptake of RPL services.** NAVET, MES and the MLSP should collaborate with emerging RPL centre(s) to implement more streamlined and effective RPL processes and to incentivise greater take-up of RPL services, particularly among low-skilled adults. The RPL process should be streamlined by simplifying and shortening the administrative process for both individuals and providers; altering the design of RPL certificates to match other learning certificates; collecting data on RPL outcomes through the data and evidence centre (see Recommendation 5.6 in Chapter 5); and targeting RPL services to specific vulnerable groups, such as low-skilled adults. In addition, to incentivise greater take-up of RPL, subsidies for RPL fees should be provided to individuals, similar to those provided for participation in adult education and training, and grants should be available to adult education and training providers that offer RPL services.
	2.8. Ease access to adult basic education and expand basic education opportunities for learners in other education and training programmes. MES should make adult basic (primary) education for low-skilled adults available free of charge in a wide range of educational institutions in Bulgaria that provide adult education and training, including general education schools, VET gymnasiums, VET colleges, universities and tertiary colleges, VET centres, and community cultural centres (*chitalishta*). Furthermore, adult basic education should be made more modular and flexible so that learners can combine basic education modules simultaneously with other reskilling and upskilling opportunities. Furthermore, enrolment requirements for CVET should be adjusted to include not only those with a fourth-grade equivalent education level but also those currently enrolled in adult basic education. Furthermore, the government should begin collecting data on participation in adult basic education to inform future policy actions in this area.

Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers

Annex Table 1.C.6. Policy recommendations for making education and training more flexible and accessible for adults and employers

Policy Directions	Recommendations
Improving the quality of adult learning opportunities	**2.9. Strengthen *ex ante* assessment of adult learning providers and develop a system for independent, *ex post* monitoring and assessment of adult learning quality and outcomes.** NAVET should strengthen *ex ante* assessment of adult learning providers by, for example, establishing quality labels and providing them to adult education and training providers that exceed minimum certification requirements. NAVET should further establish an *ex post* assessment process of adult learning providers, including those only providing partial qualifications (see Recommendation 2.6) with an external evaluation team. NAVET, in collaboration with MES and training providers, should collect relevant data on graduate outcomes from VET schools and centres and individuals who go through the RPL process to better monitor the quality of adult education and training. The data should be used to guide learners toward quality providers and to create healthy competition among providers in order to ensure the supply and take-up of high-quality and relevant adult education and training (see Recommendation 2.12).
	2.10. Strengthen initial and continuing professional development for adult learning trainers. MES, in collaboration with NAVET, should encourage the upskilling of adult educators through a combination of policy measures, including subsidising costs for adult education and training instructors to participate in training in andragogy and raising awareness about these subsidised courses among education and training providers. In addition, softer support should be offered to trainers and adult education and training providers on how to best instruct adults, including information, guidance, peer-learning opportunities, and sharing best practices.
Making adult learning more relevant to learners' and labour market needs	**2.11. Increase the involvement of employers in the design of adult education and training programmes**. MES, the MLSP and the Ministry of Innovation, in collaboration with NAVET, should incentivise greater collaboration between employers or employers' organisations and adult education and training providers in designing education and training programmes relevant to employers' skills needs. This can be done by establishing dedicated structures, such as sectoral skills councils (see Chapter 5) and/or regular meetings of employers with VET centres, VET colleges, higher education institutions and other adult education and training providers. These local stakeholders should be brought together to discuss local skills needs and the learning programmes that should be expanded or created to meet these needs.
	2.12. Develop a list of prioritised areas for adult education and training to inform differentiated public subsidies for adult learners in areas of skills shortages and/or of strategic economic importance. The MLSP, MES and NAVET should establish a list of prioritised areas of adult education and training of national and/or regional importance. Evidence to inform the list should include the skills assessment and anticipation outlined in Chapter 5, current employment forecasting projections and the list of "protected specialities" and "priority professional fields" used to determine financial incentives in secondary education. In addition, Bulgaria should increase the value of existing training vouchers (see Recommendation 2.3) for learning opportunities in areas of skills shortages and/or of strategic economic importance. Thus, the value of training vouchers should differ based on learner characteristics and the relevance of training programmes to skills needs. The list of priority areas should be updated to ensure its continued relevance. However, it should be stable over the medium term (e.g. for a three-to-five-year period) to ensure that institutions have enough time to invest in developing programmes that meet labour market needs.

Priority 3: Using skills effectively in the labour market and at work (Chapter 4)

Opportunity 1: Activating the skills of vulnerable groups in the labour market

Annex Table 1.C.7. Policy recommendations for activating the skills of vulnerable groups in the labour market

Policy Directions	Recommendation
Connecting more vulnerable adults to public employment services	**3.1. Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency (NEA) and participate in active labour market policies by making benefits more accessible and generous**. Bulgaria should continue to make unemployment insurance and social assistance benefits conditional on registering with the NEA. However, it should lower the six-month waiting period, increase the level of social assistance benefits, and consider temporarily providing minimum (social) health coverage to encourage more unemployed and inactive adults from vulnerable groups to register with the NEA. Bulgaria should also seek opportunities to get more unemployed adults from vulnerable groups receiving unemployment benefits for longer and at higher benefit rates, for example, by tweaking unemployment insurance eligibility criteria. In both cases, Bulgaria should require, support and monitor training and/or job-search activity by benefit recipients (see Recommendations 3.3 and 3.4).
	3.2. Evaluate the efficacy of Bulgaria's existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes. Bulgaria should conduct counterfactual evaluations of the impacts of its programmes that seek to reach out to unemployed and inactive adults from vulnerable groups. This should include ensuring the implementation of interventions that aim to improve the evaluation of the NEA's policies, outlined in the OPHRD (2021-2027). Based on the results of these evaluations, Bulgaria should expand those programmes that are most effective at getting unemployed and inactive adults from vulnerable groups registered with the NEA and Social Assistance Agency. As part of this, Bulgaria should consider increasing the number and scope of activators and mediators who reach out to these groups, including youth and Roma activators/mediators.
Expanding and tailoring employment services for vulnerable groups of adults	**3.3. Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs**. To make this possible, Bulgaria should first seek to free up existing NEA resources. It should expand the NEA's online services for clients with sufficient digital skills (registration, guidance, courses, etc.), thereby reducing the time caseworkers spend on these clients. It should also seek to allocate caseworkers' time more efficiently to the clients who need it most, as part of relevant measures in the OPHRD (2021-2027) targeting the digital transformation of the NEA. It could do this by developing and utilising a more modern statistical profiling tool, for example, one that predicts clients' unemployment duration. In addition, Bulgaria should consider expanding the number of caseworkers in the NEA to at least return caseloads to their pre-pandemic levels, and ideally below that, to allow more intensive and personalised support for unemployed adults from vulnerable groups. Reliable data and information on skills needs generated by improved skills assessment and anticipation activities (see Chapter 5) should feed into the advice given by NEA caseworkers to unemployed adults from vulnerable groups.
	3.4. Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes by increasing the supply and demand for these programmes. Bulgaria should increase the supply of training tailored to the individual needs of unemployed adults from vulnerable groups (especially youth, Roma and low-educated/low-skilled adults) within the context of current active labour market policies (ALMPs) and those planned in the OPHRD (2021-2027). Caseworkers should seek to increase clients' interest in and demand for these programmes by conducting in-depth assessments of clients' skills and training needs and promoting relevant training to them (see Recommendation 4.3 in Chapter 5). The NEA should offer a range of training to meet the learning needs of unemployed adults from vulnerable groups. This should include training targeting basic skills (e.g. literacy, numeracy, digital) and socio-emotional skills, in addition to job-specific/technical skills, whether non-formal or formal education and training. The results of this training should be monitored over time to ensure its relevance to the labour market and to allow ongoing improvements. To facilitate this increased supply, Bulgaria should increase the share of ALMP expenditure dedicated to training programmes to EU average levels and stabilise funding over time. It could do this first by rebalancing existing ALMP expenditure away from direct job creation towards programmes that upskill and reskill job seekers. It should also consider expanding its overall investments in training ALMPs as a percentage of GDP to get closer to international averages. Finally, individuals who complete a training ALMP should subsequently be required, incentivised and supported to search for a job that utilises their newly acquired skills.

Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria

Annex Table 1.C.8. Policy recommendations for fostering return emigration and skilled immigration to Bulgaria

Policy Directions	Recommendations
Prioritising return emigration and skilled immigration in Bulgaria's skills agenda	**3.5. Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration**. Bulgaria should explicitly articulate the potential benefits of and a positive vision for return emigration and skilled immigration, especially for achieving the country's development goals. It should also set ambitious and concrete goals for return emigration and skilled immigration (including for international students in Bulgaria), such as quantifiable targets for migration flows. The government should do this in any action plans developed under the current national strategies on migration concerning Bulgarian citizens, as well as in all future policies and strategies related to migration, employment and skills. The ministries of employment, education, interior, economy and others, as well as social partners, should co-ordinate to develop this comprehensive and ambitious vision and strategy, ensuring it is aligned with Bulgaria's current and anticipated skills needs. This process should include clearly allocating responsibility for achieving goals and targets (see Recommendation 3.6) and developing a comprehensive suite of programmes and measures for fostering return emigration and skilled immigration (see Recommendations 3.7 and 3.8).
	3.6. Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies. Bulgaria should make fostering return emigration and skilled immigration a priority objective of the Council for Working with Bulgarians Abroad and the State National Council on Migration, Borders, Asylum and Integration, respectively. It should expand the remit and resources of the State Agency for Bulgarians Abroad to be responsible and resourced for fostering return emigration, and specifically for achieving the related goals of a renewed Bulgarian vision and strategy for return emigration (Recommendation 3.5). An existing or new body should similarly be responsible and resourced for fostering skilled migration, especially in areas of skills shortages. These bodies should be responsible for developing a suite of targeted measures for emigrants and skilled immigrants (Recommendations 3.7 and 3.8). They should also co-ordinate on areas of service overlap. This could include an online portal promoting Bulgaria, job opportunities, recognition of qualifications, support services, etc. and support services for the (re-)integration of returning emigrants and skilled immigrants into the labour force and life in Bulgaria. The bodies with responsibility for fostering return emigration and skilled immigration should also co-ordinate formally with other agencies with responsibilities for migration and/or labour market integration (e.g. the NEA). The renewed State Agency for Bulgarians Abroad and the body responsible for fostering skilled migration should report on their activities and achievements to the State National Council on Migration, Borders, Asylum and Integration and the Council for Working with Bulgarians Abroad. These councils should co-ordinate with a new Skills Policy Council (see Recommendation 5.1 in Chapter 5).
Reaching and supporting return migrants and skilled immigrants	**3.7. Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria.** Bulgaria should consider developing an online platform targeting Bulgarian workers abroad and potential skilled immigrants, promoting their relocation to Bulgaria. The platform should provide relevant information, foster communications and allow for the development of online communities. The platform should include information on Bulgaria's strengths and opportunities in terms of employment, investments, quality of life, schooling, etc., consistent with the key motivations of return emigrants and skilled immigrants. The platform should also be used to collect more and better data on the characteristics of Bulgaria's diaspora (e.g. registration data or online surveys). The platform design could build upon the existing, smaller-scale platforms for emigrants developed by different NGOs in Bulgaria. The suite of measures should also include virtual and in-person networking events and job fairs, particularly focused on key destination countries for emigrants (e.g. Germany, Spain and the United Kingdom) and key source countries for immigrants (e.g. Balkan and Slavic language countries). Importantly, these efforts should also target international students in Bulgaria. The measures should be promoted through existing institutions and agencies focused on the diaspora and investment attraction.
	3.8. Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society. The NEA should create specific support services to help return migrants and skilled immigrants (including international students) find well-matched jobs, consistent with the objectives in the OPHRD (2021-2027). These could include information sessions and job-search matching services between migrants and enterprises, as well as referrals to institutions that can recognise prior learning from abroad (see Recommendation 2.7 in Chapter 3). Ministries and agencies involved in innovation and entrepreneurship should also provide information, guidance and networking opportunities to returning emigrants and skilled immigrants to help them apply their skills, use their networks acquired abroad and start new businesses in Bulgaria. This could include short courses in entrepreneurial skills, such as creating a business plan, financial planning, navigating bureaucratic requirements, etc. Bulgaria should also provide tailored information to return emigrants and skilled immigrants on renting/buying, schools and kindergartens, tax obligations, etc. As part of this, it should provide feedback to responsible agencies on how to streamline these processes for return migrants and skilled immigrants. Information on these services and topics could also be included in an online platform targeting Bulgarian workers abroad and potential skilled migrants (see Recommendation 3.7).

Opportunity 3: Supporting enterprises to utilise workers' skills more effectively

Annex Table 1.C.9. Policy recommendations for supporting enterprises to utilise workers' skills more effectively

Policy Directions	Recommendations
Raising awareness of effective skills use in Bulgarian workplaces	**3.9. Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills.** In its Action Plan for Skills, Bulgaria should explicitly articulate the potential benefits and a vision for implementing HPWPs and effectively using skills in Bulgarian workplaces. It should set concrete goals and targets for skills use and HPWPs and collect data from employers to monitor the achievement of these goals. The ministries of employment, education, economy and others, as well as social partners, should co-ordinate to develop these goals for skills use and HPWPs to ensure their suitability and coherence with other strategies and goals (e.g. the National Strategy for SMEs [2021-2027]). This process should include clearly allocating responsibility for achieving goals and targets and developing a comprehensive suite of programmes and measures to support employers in implementing HPWPs (see Recommendations 3.11 and 3.12).
	3.10. Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals. Bulgaria should improve data on skills use and HPWPs in workplaces, for example, by participating in the Survey of Adult Skills (PIAAC) and/or running its own surveys. The Bulgarian Small and Medium Enterprise Promotion Agency (BSMEPA), other agencies with responsibilities for enterprises and innovation, and social partners should co-ordinate to raise awareness among enterprises of skills use at work and HPWPs. Bulgaria should disseminate information on the concepts and benefits of skills use and HPWPs, good practices from enterprises, and available support from the government for HPWPs (see Recommendations 3.11 and 3.12) to all groups and sectors of employers. They should centralise this information on the existing one-stop-shop portal for SMEs and update existing resources (such as the Business Guide for Small and Medium-Sized Enterprises) with this information. These actors should consider developing a campaign that includes recognising/awarding high-performing companies and promoting skills use at work and HPWPs on social media channels.
Supporting employers to improve skills use and adopt high-performance workplace practices	**3.11. Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals.** Bulgaria should create opportunities for enterprises, particularly SMEs, to meet and learn about good practices for implementing HPWPs. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop peer-learning conferences, seminars and workshops. These should allow firms to learn from other Bulgarian and international firms in their sector or supply chain who have proven experience implementing HPWPs. The ministries should subsidise these events, including having international experts attend to present on different areas of HPWPs. These events should be promoted as part of broader awareness-raising initiatives on skills use at work and HPWPs (see Recommendation 3.10) and be used to point enterprises to available support for implementing HPWPs (see Recommendation 3.12).
	3.12. Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs. Bulgaria should pilot public subsidies for consultants, mentors or coaches to provide tailored, one-on-one advice to SMEs about implementing HPWPs. This could be achieved through a voucher scheme or other financial scheme. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop these services, building upon existing advisory services being offered to enterprises (e.g. in the areas of ICT and export market development). Alternatively, Bulgaria could consider making these services part of advisory services to enterprises to assess their skills and training needs (see Chapter 3). The results of the pilot should be closely monitored, and the service should be improved as needed in light of the pilot results.

Priority 4: Improving the governance of the skills system (Chapter 5)

Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies

Annex Table 1.C.10. Policy recommendations for developing a whole-of-government and stakeholder-inclusive approach to skills policies

Policy Directions	Recommendations
Developing a whole-of-government approach to skills policies	**4.1. Improve whole-of-government leadership, oversight and co-ordination of the skills system by creating a permanent Skills Policy Council for Bulgaria.** The Skills Policy Council should bring together ministries, agencies, regional and municipal representatives and key non-government actors with a stake in skills policies. The council should oversee the skills system and ensure the achievement of Bulgaria's skills policy objectives, for example, by monitoring and reporting on skills policy implementation and outcomes. This should include oversight of existing skills bodies (e.g. the National Agency for Vocational Education and Training, NAVET) and those that are planned (e.g. sectoral skills councils). Finally, the Skills Policy Council should also oversee and publicly report on initiatives to improve stakeholder engagement (see Recommendations 4.3 and 4.4), skills needs information (see Recommendations 4.5 and 4.6), policy evidence (see Recommendation 4.7), resource allocation (see Recommendations 4.8 and 4.9) and cost sharing (see Recommendation 4.10), and any others that are defined in Bulgaria's proposed Action Plan for Skills.
	4.2. Identify and strengthen the most important bilateral inter-ministerial relationships for skills policies, including through joint projects and other formalised co-ordination actions. The Bulgarian Government should identify bilateral inter-ministerial relationships critical for effective skills and related policies and seek to strengthen these relationships. This would include relationships between ministries, departments and agencies responsible for delivering whole-of-government priorities, such as boosting economic growth and productivity, managing the digital and green transitions and improving equity. These key bilateral relationships are likely to include, for example, the relationship between MES and the Ministry of Innovation and Growth (MIG) on innovation policies, and between MES and the MLSP on employment and skills forecasting. These ministries should engage in active co-ordination measures, beginning with regular bilateral meetings at the minister and technical level, joint working groups and developing into joint projects and funding. The proposed Skills Policy Council should oversee, monitor and encourage stronger bilateral relationships between the ministries, departments and agencies involved in skills policy (see Recommendation 4.1 above).
Engaging stakeholders effectively for skills policy making	**4.3. Strengthen and extend the Consultative Council for Vocational Education and Training to become a formal committee that works across and supports the whole skills system, reporting to and advising the Skills Policy Council.** The broadened Consultative Council should include key social partners, academic experts and delivery institutions, and agencies from across the whole skills system. It should cover not only initial VET but also tertiary education and adult learning, including for out-of-work adults. The broadened Consultative Council should be responsible for supporting and advising the Skills Policy Council on policy development and implementation through information and evidence gathered from its members.
	4.4. Ensure the planned sectoral skills councils include all relevant stakeholders and that they support the skills system as a whole. Bulgaria should expand the membership of SSCs to include not only MES but several ministries with responsibilities for skills. It should also consider expanding the remit of SSCs to cover issues other than VET, for example, tertiary education and adult learning, including for out-of-work adults. SSCs should be encouraged to articulate broader sectoral skills needs rather than focusing on narrower issues of curriculum, qualifications, etc. The proposed Skills Policy Council at the national level (see Recommendation 4.1) should oversee SSCs and involve them in Skills Policy Council meetings, to ensure their effective performance.

Opportunity 2: Building and better utilising evidence in skills development and use

Annex Table 1.C.11. Policy recommendations for building and better utilising evidence in skills development and use

Policy Directions	Recommendations
Improving the quality and use of skills needs information	**4.5. Develop a more comprehensive and consolidated skills assessment and anticipation approach for use by all key actors in the skills system.** MES, the MLSP, the NEA, other relevant ministries and agencies, subnational authorities and social partners should collaborate to define which data and information they need from SAA initiatives. The proposed Skills Policy Council, strengthened and more broadly focused Consultative Council for Vocational Education and Training (CCVET) and sectoral skills councils (see Recommendations 4.1, 4.3 and 4.4) should support this process. Based on this assessment, these actors should commission experts to improve and consolidate Bulgaria's SAA methods. For example, this should include expanding existing quantitative tools to provide more sectoral, occupational, educational, demographic, regional and temporal insights on skills supply and demand, as required by end users. It should also involve drawing on qualitative insights from consultation with employers and potentially from foresight techniques. Finally, Bulgaria should promote and monitor the use of improved SAA information by career guides/counsellors for youth in formal education (Chapter 2), adults in education and training (Chapter 3) and NEA caseworkers and unemployed adults (Chapter 4), as well as by advisors assessing enterprises' skills and training needs (Chapter 3) and providing other business support services.
Improving the quality and use of performance data and evaluation evidence in skills policy	**4.6. Create a cross-government data and evidence centre responsible for collating and improving skills data and evaluation evidence.** The government should create a centre to integrate, undertake and/or commission primary and secondary data collection, analysis and evaluation for skills policy. It should identify opportunities to improve information and evidence based on the needs defined by the government and non-government actors involved in skills policy (e.g. see Recommendation 4.5). The centre should be staffed with a small team that is supported with secondments from the ministries involved in skills policy. It should also establish formal and informal networks with experts from academia, research institutes, social partners, non-government organisations and the private sector. The centre should be governed by and report to the proposed Skills Policy Council (see Recommendation 4.1), potentially forming part of a secretariat for the council. Information and data collected and maintained by the centre should be relevant and accessible to the diverse actors with a stake in skills policy, including ministries and agencies in government, including the CCVET, the planned sectoral skills councils, municipal authorities and others (see Opportunity 1 above).

Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies

Annex Table 1.C.12. Policy recommendations for ensuring well-targeted and sustainable financing of skills policies

Policy Directions	Recommendations
Increasing and reallocating spending on skills development and use	**4.7. Set medium- and longer-term targets for increasing expenditure on skills development in the new Action Plan for Skills.** Targets should be set for different elements of the skills system, e.g. VET, higher education, adult learning, ALMPs and supporting high-performance work practices (HPWPs). These targets should also define the desired spending contributions from different sources, including European funds, state funds, employers and individuals.
	4.8. Evaluate existing spending across the skills system with the aim of reallocating resources to the activities offering the greatest returns. The proposed cross-government data and evidence centre should systematically evaluate and analyse the return on investment of Bulgaria's expenditure on skills development and use (see Recommendation 4.6). Funding should be gradually reallocated to areas with the highest returns, e.g. to SAA, career guidance and business support services, and from job creation to training in ALMPs. This funding allocation should be defined in Bulgaria's new action plan for skills.
Effectively sharing the costs of skills development	**4.9 Define and find agreement on a clear overarching division of responsibility for funding skills development – between government (local and national), employers and individuals.** This agreement should clarify where and how government (at the national and municipal levels), employers and individuals should co-invest in education and training. This agreement should be developed by state and social partners and codified in a tripartite agreement. The agreement should also seek to articulate how stable funding will be ensured over time, even with the use of European project-based funding. Such a tripartite agreement could be instigated, co-ordinated and overseen by the proposed Skills Policy Council (see Recommendation 4.1), with support from the strengthened CCVET (see Recommendation 4.3) and other bodies, including the proposed data and evidence centre (see Recommendation 4.6).

2 Developing youth skills in Bulgaria

Equipping young people in Bulgaria with skills for work and life is vital for the country's economic prosperity and social cohesion. The skills that young people develop are foundational to their well-being and contribution to society and the economy. This chapter explores three opportunities to develop and improve young people's skills in Bulgaria: 1) ensuring that curriculum reform and assessment practices improve students' skills; 2) developing a highly skilled teaching workforce; and 3) making vocational and higher education more responsive to labour market needs.

The importance of developing youth skills

Education is key to improving Bulgaria's future socio-economic potential. Ensuring young people develop the skills, knowledge, values and attitudes needed to thrive in an interconnected world is important for the country's general well-being. Providing an environment where the acquisition of basic knowledge and skills is accessible to everyone also helps foster a culture of lifelong learning that will help build an adaptable and resilient society.

When leaving school, young people need to feel ready and have the opportunity to continue their studies or find jobs. Achieving higher levels of skills supports individuals not only in their transition to the labour market – by finding well-paid jobs aligned with their interests and skills – but also increases their likelihood of participating in the democratic process and community life, for example, as compared with their less-skilled peers (OECD, 2019[1]). Especially in the context of globalisation and digitalisation, and the related growth of knowledge-based economies, countries want to make sure their populations acquire the higher-order skills that drive productivity, innovation and economic growth, which can lead to higher living standards (OECD, 2016[2]).

In Bulgaria, as much as 32% of 15-year-old students are considered low performers (scoring below Level 2 in the Programme for International Student Assessment [PISA] in all three subjects [reading, mathematics and science]), compared with an OECD average of just 13% (OECD, 2019[3]). There are many factors which affect learning outcomes, but according to research, the most relevant ones are related to curriculum development, teaching practices, the quality of teacher training and working conditions (Darling-Hammond, 2000[4]; OECD, 2018[5]). Students' particularly low average performance in acquiring basic knowledge and competencies is a challenge for Bulgaria.

Employers face challenges in finding the skilled individuals they need, including in areas such as science, technology, engineering and mathematics (STEM) (Employment Agency, 2022[6]). The importance of young people developing a broad range of relevant skills is growing. Similar to what is happening in other parts of Europe, Bulgaria has a shrinking labour force due to population ageing and high levels of emigration. Such a scenario puts extra pressure on the country's education system to ensure its youth develop the skills needed to ensure their smooth transition into employment and, at the same time, respond effectively to the skills needs of the labour market.

The coronavirus (COVID-19) pandemic and the disruption it caused in education systems across the world have highlighted the main educational challenges facing the country, deepening learning losses and increasing inequalities (Yankova, 2020[7]). Helping students recover from the impact of the pandemic and creating a more resilient education system is now a priority for Bulgaria as it is for other OECD countries. Achieving this ambition will require improving the understanding of the full impact of school closures on young people, especially the most vulnerable ones, and making sure that all students have the support they need to complete their studies. It also involves bolstering the education system's capacity to face future disruptions.

In order to address both short-term pressures and long-term ambitions, Bulgaria's education system must respond and adapt so as to support its students in developing the knowledge and skills they need to lead successful lives. To do so requires that Bulgaria improve its curriculum, prepare the teacher workforce and ensure that young graduates acquire those competencies in highest demand and are responsive to labour market needs and students' interests.

Overview and performance

Overview of Bulgaria's governance arrangements for developing youth skills

Relevant legislation, strategies and policies for developing youth skills

Various legislation, strategies and policies underpin and guide the development of young people's skills in Bulgaria (Table 2.1). Bulgaria's Pre-school and School Education Act (PSEA) (2016, amended in 2020) is the main legal basis for developing youth skills. It regulates the structure, functions, organisation, management and financing of the pre-school and school education system. The act made schooling compulsory from age four; required all schools to implement measures to reduce early school leaving and integrate students from vulnerable demographics; and introduced a modern curriculum. In addition, the goal of improving youth skills is present in several national strategies, including broader development strategies and strategies focused specifically on education and training.

Table 2.1. Bulgaria's main legislation, strategies and policies for developing youth skills

Major strategy/policy	Description
Pre-school and School Education Act (PSEA) (2016)	The PSEA regulates the social relationships concerning safeguarding the right to pre-school and school education, as well as the structure, functions, organisation, management and financing of the pre-school and school education system.
National Development Programme (NDP) Bulgaria 2030	The NDP Bulgaria 2030 is the government's ten-year national development strategy. The Council of Ministers adopted this plan in 2020. Priority 1 (out of 13) of the NDP is concerned with education and skills. The main objective of the priority is to increase the quality of human capital by forming highly educated, innovative and active individuals. Objectives are aimed, among others, at increasing the share of high school graduates and promoting the participation of young people in formal and non-formal education and training. The NDP also highlights that to address the weaknesses in the quality of the educational service provided, education sector reforms will continue with a stronger focus on acquiring key competencies for lifelong learning (including digital, language and social) from an early age. It highlights the need for students to acquire functional literacy, relevant (inter)disciplinary and applied knowledge and skills, as well as the development of creative and critical thinking, responsibility and problem-solving skills, and civic engagement. The NDP, among others, also envisages: - further expansion of the geographical scope of the dual training system, which should be tailored to the needs of businesses at the regional and local levels - curriculum reform focused on the competency-based approach - measures to build on teacher capacity for the application of the competency-based approach - improved coherence between the programmes in higher education and the needs of businesses and society.
Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria (2021-2030)	This strategic framework sets a vision of education, training and learning in Bulgaria, according to which in 2030, all Bulgarian young people will finish their school education as functionally literate, innovative, socially responsible and active citizens who are motivated to build on their competencies through lifelong learning. To achieve this, the leading strategic document sets among its policy priorities the following: - Priority 2. Competencies and talents, Objective 2.1: Training focused on the formation and development of key competencies and skills for living and working in the 21st century - Priority 3. Motivated and creative teachers, Objective 3.2: Development of teachers' competencies in accordance with the changing role of the teacher - Priority 7. Fulfilment in the professions of the present and the future, Objective 7.1: Vocational education and training (VET) that is responsive to labour market dynamics; Objective 7.2: Development of skills for the professions of the present and the future; Objective 7.3: Development of VET based on the transition to a digital and green economy.
Strategy for the Development of Vocational Education and Training (VET) in the Republic of Bulgaria (2015-2020)	The VET Strategy recognises VET as key for the country's socio-economic development. It highlights that the VET system needs to be permanently improved in response to rapid economic and societal changes.

Major strategy/policy	Description
Strategy for the Development of Higher Education in the Republic of Bulgaria for the Period 2021-2030	This strategy consolidates policies with a strong focus on the competency approach and the importance of students acquiring skills relevant to the labour market. Among the main priority areas, the strategy identifies: - improving the quality of higher education through updating the content, methods and forms of education - modernising and digitalising education approaches, methods and practices - ensuring access to higher education and high-quality lifelong learning that supports personal development and professional fulfilment - developing basic and applied research, innovation and entrepreneurial skills of students attracting quality, motivated, young teachers for the renewal and development of academic staff.
Programme Education (PE) (2021-2027)	The PE is one of the main tools for implementing Priority 1 of the NDP, the Strategic Framework of Education (2021-2030) and the Strategy for the Development of Higher Education (2021-2030). The programme's main objectives include, among others: - improving the quality of education by modernising learning content, implementing the competency model and digital transformation in education - improving the attractiveness, accessibility, quality and relevance of VET to labour market needs and its link with specific territorial characteristics - modernising higher education and linking it to labour market needs - creating a skilled workforce fit for the digital and green economy (e.g. qualification of teachers in higher education institutions) - horizontal support for qualification and capacity building of pedagogical specialists, non-pedagogical staff and educational mediators.

Note: This table is not comprehensive but provides an overview of the main legislation, strategies and policies related to improving youth skills in Bulgaria.
Source: Government of Bulgaria (2022[8]). *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*; Government of Bulgaria (2020[9]), *National Development Programme Bulgaria 2030*, www.minfin.bg/upload/46720/National%2BDevelopment%2BProgramme%2BBULGARIA%2B2030.pdf; Council of Ministers (2021[10]), *Стратегическа рамка за развитие на образованието, обучението и ученето в Република България (2021-2030) (Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria [2021-2030]*), https://mon.bg/upload/25571/Strategicheska-ramka_ObrObuUchene_110321.pdf; National Assembly (2021[11]), *Стратегия за развитие на висшето образование в Република България за периода 2021-2030 г. (Strategy for the Development of Higher Education in the Republic of Bulgaria for the Period 2021-2030)*, https://mon.bg/upload/24829/rMS_Strategia-VO_120121.pdf.

Roles and responsibilities for developing youth skills

Responsibility for developing the skills of young people in Bulgaria is shared across three levels of government – national, regional and municipal – and has been progressively decentralised in recent years (Table 2.2). Nationally, the Ministry of Education and Science (MES) is responsible for informing and implementing education strategies and legislation established by the National Assembly and the Council of Ministers. Various specialised institutions and agencies provide assistance and support to the ministry. At the subnational level, municipalities provide and fund pre-school, primary, lower and upper secondary general education, as well as teacher training, while 28 regional departments of education (REDs) support municipalities and schools in implementing national education policies. Various stakeholders, such as school heads, teachers and employers, among others, also play important roles in shaping and implementing policies for developing young people's skills.

Table 2.2. Main roles and responsibilities of ministries, agencies and social partners in developing youth skills

Actor	Roles/responsibilities
Ministers/ministries	
Council of Ministers	The Council of Ministers is in charge of setting educational policy and priorities and mobilising and distributing financial resources. The council also approves the national qualification framework; the state requirements for acquiring the professional qualification of "teacher"; and the state education standards for financing institutions. It also sets unified cost standards for funding school education and national programmes for developing education (annually).

Actor	Roles/responsibilities
Ministry of Education and Science (MES)	MES comprises (among other units) 16 specialised directorates. It co-ordinates education policy and is responsible for implementing the strategic priorities and legal acts established by the National Assembly and the Council of Ministers. According to the Law on Pre-school and School Education, MES is responsible for the quality of education and financing part of the education system. Its mandate also includes the development and approval of pre-school and school education curricula and the general content of formal education and training (descriptions of primary, lower secondary, and upper secondary education programmes, general curricula and syllabi). MES also approves the list of professions in vocational education and training (VET) and most state educational standards (except the standards for inclusive education and the standards for financing institutions).
Ministry of Labour and Social Policy (MLSP)	The MLSP develops, co-ordinates and implements the state policy in the field of employment promotion and employment security of unemployed and employed persons and adult training and ensures the protection of the national labour market. The MLSP is also involved in VET provision by, for example, defining, together with MES, the professional fields for vocational education.
Government institutions/agencies	
Centre for Evaluation of Pre-school and School Education (CAPSE)	CAPSE, a specialised agency under MES, organises, prepares and conducts external assessments of student learning and is responsible for managing Bulgaria's participation in international assessments on pre-tertiary education, such as the OECD Programme for International Student Assessment (PISA).
National Agency for Vocational Education and Training (NAVET)	Among its main activities, NAVET is responsible for licensing activities in the VET system and controlling the education quality in training institutions.
National Evaluation and Accreditation Agency (NEAA)	This agency evaluates, accredits and monitors the quality of tertiary education providers, including those offering initial teacher education programmes.
Regional departments of education (REDs)	REDs are territorial administrative structures under the authority of MES. They are responsible for supporting local authorities in implementing national education policies. According to their new mandate from 2017, they are now also expected to provide methodological support to schools and other functions related to monitoring school budgets (shared responsibility with municipal authorities) and planning.
Municipalities	Municipalities are responsible for providing pre-school, primary, lower and upper secondary general education. The provision of upper secondary vocational education is a shared responsibility between the central government and municipalities. Municipalities may establish local policy priorities within the centrally defined education policy and state education standards. They are responsible for allocating funding to implement the curriculum, maintain facilities and infrastructure, and transportation, among others. Municipalities are also responsible for providing teacher training.
Stakeholders	Various associations and unions represent education and training institutions, school heads, teachers, employers, and municipalities in equipping young people with skills for work and life.

Note: This table is not comprehensive but provides an overview of the main actors governing education in Bulgaria.
Source: Government of Bulgaria (2022[8]). *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria;* OECD (2021[12]), *Decentralisation and Regionalisation in Bulgaria: Towards Balanced Regional Development*; https://doi.org/10.1787/b5ab8109-en; Guthrie et al. (2022[13]), *OECD Reviews of Evaluation and Assessment in Education: Bulgaria*; https://doi.org/10.1787/57f2fb43-en; European Commission (2022[14]), *Administration and governance at central and/or regional level*, https://eurydice.eacea.ec.europa.eu/national-education-systems/bulgaria/administration-and-governance-central-andor-regional-level.

The structure of Bulgaria's formal system for developing youth skills

Compulsory education in Bulgaria starts in pre-primary education at the age of 4 (since 2020) and lasts until students are 16 years old, at the first stage of upper secondary education (Table 2.3). Education is provided free of charge until the end of upper secondary education, and most students do not change schools until upper secondary education. Students are selected into different secondary programmes after they finish Grade 7, at around 13 years old. At this point, they either follow an academic programme in a general secondary school or "gymnasium"; attend a profiled high school that specialises in areas such as foreign language or mathematics; or choose to enrol in a vocational education and training (VET) programme in a secondary vocational education school. Upon completing upper secondary education, students who sit and pass the state matriculation examination receive a diploma that allows them to apply for general or professional tertiary education (Table 2.3). Students who complete upper secondary education but do not sit or pass the state matriculation examination are still awarded a certificate of completion, with which they can progress into post-secondary VET.

Table 2.3. Provision and enrolments in formal education in Bulgaria, 2021/22

	ISCED levels provided	Main orientation of the programmes provided	Total number of enrolled students
Early childhood education	0	-	214 847
Primary education	1	General	233 369
Lower secondary education	2	General	194 914
Upper secondary education	3	General and vocational	281 425
Post-secondary non-tertiary vocational education	4	Vocational	586
Tertiary education	6,7	General and vocational	220 439
Bachelor	6	General	73 306
Professional bachelor	6	Vocational	219 853

Note: ISCED: International Standard Classification of Education.
Source: National Statistical Institute (2022[15]), *Education and Lifelong Learning,* www.nsi.bg/en/content/3374/education-and-lifelong-learning.

Bulgaria's performance in youth skills

Participation and completion of education

Ensuring children have access to education early on in life is essential for their long-term development. Bulgaria prioritises participation in early childhood education and care (ECEC). Still, participation in pre-primary, compulsory education has been decreasing since 2014 and is low compared to the European Union (EU) average (Eurostat, 2022[16]). For example, in 2020, the net enrolment rate of young children aged 4-7 in pre-primary education was 82%, compared to the EU average of 95% (Eurostat, 2022[16]). Low enrolment rates in early childhood can undermine the learning process of students and endanger skills formation and human capital development in Bulgaria (Hristova, Tosheva and Stoykova, 2020[17]). Moreover, anecdotal evidence suggests that participation at this level of education is unequal, particularly for minority groups, such as Roma students. Among the barriers to entrance and completion of this education level are financial costs[1] and lack of complementary services, such as limited transportation (Guthrie et al., 2022[13]). Limited ECEC infrastructure and shortage of places available, especially in urban areas, are also serious challenges for participation at this education level (World Bank, 2020[18]). Ensuring participation in education for all student groups is key to the country's future development.

Participation and completion in school-aged education are relatively low in Bulgaria and have declined recently. Participation in primary education has decreased in recent years, from 90% in 2016 to 85% in 2020 (UIS, 2022[19]). When it comes to lower secondary education, participation is also low and decreasing, declining from 93% in 2016 to 83% in 2020 (UIS, 2022[19]). Bulgaria also has one of the highest shares of early school leavers in Europe – at 12%, compared to an EU average of 10% in 2021 (Eurostat, 2022[20]). The percentage is expected to rise even further following the COVID-19 pandemic and the transition to online learning (Kovacheva and Hristozova, 2022[21]). This share is higher for students in rural areas (24%) compared to cities (7%) (2021) (Eurostat, 2021[22]). In upper secondary education, Bulgaria made progress in increasing enrolment rates from 81% of school-aged youth in 2010 to over 90% in 2017 (UIS, 2022[19]). However, as in lower education levels, enrolment has fallen in recent years (82% of students enrolled in 2020) (UIS, 2022[19]), partly reflecting the declining share of students completing earlier education levels.

Participation in VET has gradually improved in line with improving graduate labour market outcomes, but VET is still considered an unattractive pathway by many in Bulgarian society (Daskalova and Ivanova, 2018[23]). More than half of students (52% in 2019) in upper secondary education in Bulgaria are enrolled in VET (UIS, 2022[24]). Bulgaria's education system is selective and tracks students into VET and general

upper secondary programmes at the age of 13 – among OECD countries, the average age is 16 (Guthrie et al., 2022[13]). The system is designed to identify and funnel the best-performing students into elite schools. Indeed, the country has one of the highest rates of 15-year-olds who attend an academically selective school and the highest "isolation index"[2] between socio-economically disadvantaged and high-achieving students, according to PISA (OECD, 2019[25]), with a high concentration of students from lower socio-economic backgrounds in vocational programmes (Institute for Research in Education, 2019[26]).

Furthermore, completion rates in VET declined from 83% in 2012/13 to 77% in 2018/19 (Institute for Research in Education, 2019[26]), with higher dropout rates in small towns and villages (World Bank, 2022[27]). Non-completion rates are higher in VET schools than in general schools. Data from 2017 show that while almost 21% of students in VET have dropped out of education before the end of the education cycle, the same was true for only 8.5% of students in general secondary education (World Bank, 2022[27]). High non-completions in VET partly reflect the lower academic proficiency of VET students and the challenging curricula they face (i.e. VET students need to follow both the general curriculum and the VET curriculum). Other issues in VET include lower perceived teaching quality and limited co-operation with employers (Kovacheva and Hristozova, 2022[21]).

VET in Bulgaria remains mostly school-based, which limits students' employability (Daskalova and Ivanova, 2018[23]; World Bank, 2022[27]). Of all students enrolled in VET, as much as 41% are enrolled in schools in small or very small towns, and 4% are in schools located in rural areas, making the involvement of employers in the provision of education a serious challenge for the country, as the local economy in these areas is mainly composed of micro and small businesses (World Bank, 2022[27]). Furthermore, the offer of post-secondary VET education is limited, with most vocational education providers being gymnasiums (World Bank, 2022[27]).

Participation in higher education is relatively low and declining. The inflow of students to tertiary education is declining, and in 2021, only 34% of 25-34 year-olds held a tertiary degree in Bulgaria, compared to an EU average of 41% (Eurostat, 2022[28]). The low level of tertiary attainment is also partly explained by the under-representation of vulnerable groups at this education level. According to the most recent data available, in 2015, less than 2% of students in higher education came from families whose parents' level of education was below lower secondary (World Bank, 2022[29]).

The long-term effects of COVID-19 on education are still being studied, but available evidence suggests that the consequences have included falling participation and completion. The most disadvantaged students in Bulgaria were the ones most impacted by the pandemic and who struggle the most to return to education following the school closures. For example, access to remote learning was unequal among different student groups. As much as 8% of children covered by a recent survey did not participate in distance learning (or at least not regularly) due to barriers related to accessing online classes (Yankova, 2020[7]). High disengagement is also evident by increased absenteeism; even in schools with high participation rates, some 20% of students regularly skipped their online classes. Such a scenario has implications for students' outcomes, including increasing the risks of academic failure and a prolonged period of dropouts.

Learning outcomes

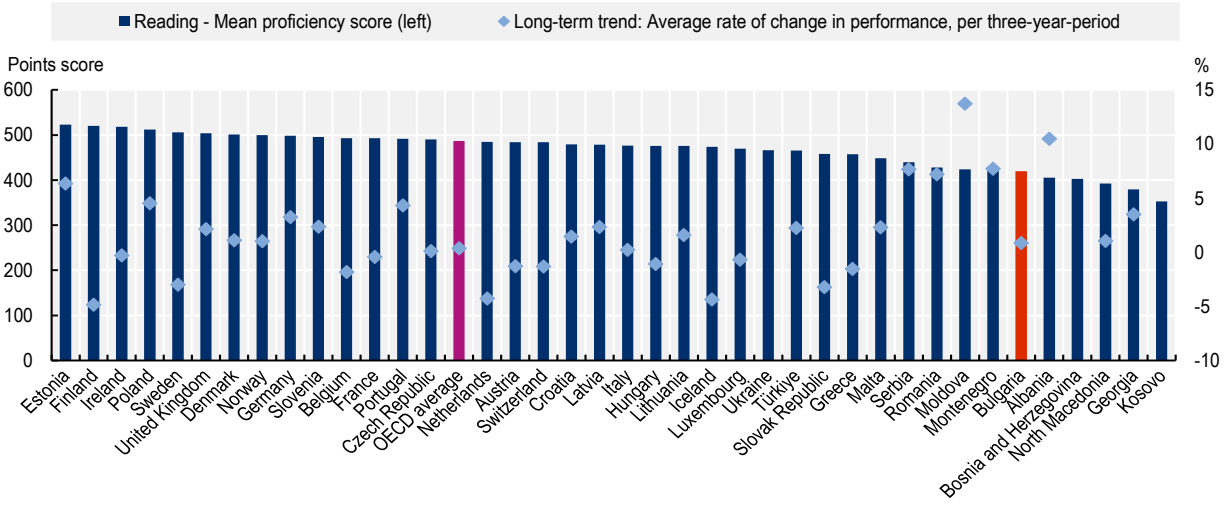
Apart from ensuring participation, education systems need to ensure all students are offered high-quality learning that will allow them to leave school with the basic knowledge and skills needed to succeed in the transition to the labour market or to further studies.

Bulgaria's students do relatively well at acquiring the knowledge taught in school curricula during initial education, although their performance is declining in some areas. The Progress in International Reading Literacy Study (PIRLS)[3] and Trends in International Mathematics and Science Study (TIMMS)[4] assess how well Grade 4 and Grade 8 students have mastered the factual and procedural knowledge taught in school curricula. During the first years of primary education (Grade 4), students in Bulgaria perform well in reading

tasks according to the 2016 PIRLS, with the country's average point score for reading among one of the highest internationally (at 552) (IEA, 2017[30]). When it comes to mathematics and science as assessed by the Trends in International Mathematics and Science Study (TIMSS), however, Bulgaria's performance has decreased over time – from 524 to 515 points (in mathematics) and 536 to 521 points (in science) – although they remain above the average of participating countries.

Bulgaria's students do less well at applying their knowledge in real-world settings, however. The OECD's PISA[5] assesses how well 15-year-old students can both reproduce and extrapolate from what they have learned in science, mathematics and reading, as well as how they apply their knowledge in unfamiliar settings. PISA 2018 results for Bulgaria show that the performance of 15-year-old students in reading (also in mathematics and science) is below the OECD average and has not significantly improved over time (Figure 2.1). A high share of students still do not achieve baseline levels of proficiency, with 32% of 15-year-old pupils considered low performers (i.e. scoring below Level 2 in all three subjects) compared to an EU average of 14% and an OECD average of 13% (OECD, 2019[31]).

Figure 2.1. Reading proficiency among 15-year-olds in Bulgaria and selected countries, 2018



Source: OECD (2019[3]), *PISA 2018 Database*, https://www.oecd.org/pisa/data/.

StatLink https://stat.link/ftnza5

Since PIRLS is a curriculum-based assessment and PISA is a skills-based assessment, the variation between the outcomes of the two assessments may be related to the prevailing instructional practices and learning culture in Bulgaria, which tends to value knowledge reproduction over the acquisition of higher-order competencies (Guthrie et al., 2022[13]).

Within Bulgaria, gaps in learning outcomes between different student populations are a major concern. For example, according to PISA 2018, students from disadvantaged backgrounds[6] perform below their more advantaged peers in all PISA subjects, especially in reading, where the score point difference is at 106, compared to the OECD average of 88 (OECD, 2019[25]). Bulgaria has struggled to reduce these gaps over time. Since 2000, the share of disadvantaged Bulgarian students (proxied by parents lacking a higher education qualification) who are low performers (achieved below Level 2 proficiency in reading) has increased (OECD, 2019[3]). Learning gaps between students from different ethnic groups are also large in Bulgaria. A score point difference of 74 in reading exists between students whose mother tongue is not Bulgarian and those who are Bulgarian native speakers (OECD, 2019[3]). This is the highest gap between native and non-native speakers of any country within the European Union.

The COVID-19 pandemic has caused disruptions in education systems across the globe. In Bulgaria, as in other countries, students continued their learning remotely when schools closed. According to surveys undertaken by MES, around 40% of teachers reported a deterioration in students' knowledge, particularly in science. In terms of skills, the surveys identified an improvement in digital and autonomous learning competencies, while skills such as teamwork, critical thinking and time management have deteriorated (Hristova, Tosheva and Stoykova, 2020[17]). Results also show a considerable decrease in students' engagement, motivation, interest and overall attitude towards school, as well as teachers' limited skills and resources to support students in this situation. This is a particular concern for Roma students, whose engagement with learning was relatively low before the pandemic (Hristova, Tosheva and Stoykova, 2020[17]).

Responsiveness and graduate outcomes

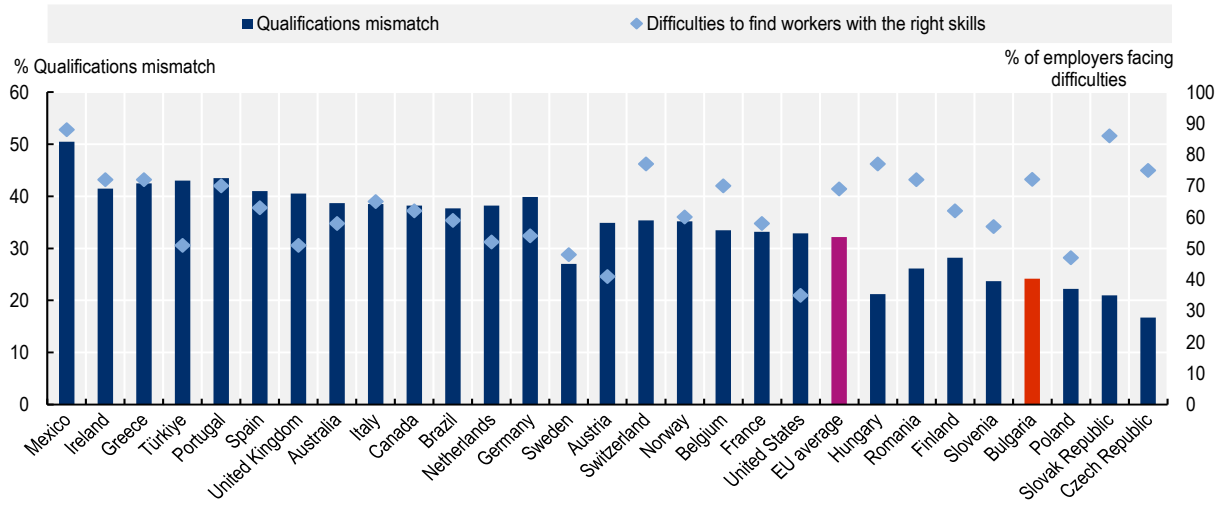
Responsive VET and higher education make it possible for youth to attain the education level, develop the skills needed in the labour market today, and develop transversal skills for the future. It also helps alleviate skills imbalances in the labour market more broadly. The need for responsive education is becoming more acute in Bulgaria, especially as VET and higher education enrolments are declining due to population ageing and emigration. The country needs to ensure that more people are developing the skills in high demand in the labour market and support education institutions in responding to the market's ever-changing needs. In Bulgaria, young people's learning and labour market outcomes suggest that education and training could be more responsive to labour market demands.

VET is not currently equipping Bulgarian youth with strong transversal cognitive skills, and employment outcomes could be further improved. Although the majority of students during upper secondary education are enrolled in VET, the gap in learning outcomes between students in this track and those in general education (which more often leads to tertiary education) is one of the highest among nearby countries: 81 score points in reading according to PISA 2018 (OECD, 2019[25]). Moreover, in 2021, the employment rates of recent VET graduates aged 20-34 (72%) were below the EU average (76%) and that of recent Bulgarian higher education graduates on average (83%) (Eurostat, 2022[32]).

The supply and uptake of different VET qualifications in Bulgaria are slow to adjust to changing skills needs. As a result, VET education appears to be preparing students for some jobs and skills that are becoming outdated, partially linked to the difficulties in updating the list of professions for vocational education and training (LPVET) (World Bank, 2022[27]; CEDEFOP, 2018[33]). The LPVET establishes VET qualifications and is structured by education field, vocational area, profession and speciality (e.g. the education field can be "management and administration", the vocational field "accountancy and taxation", while the speciality is "operative accountancy"). The list is developed by NAVET together with ministries and employers' representatives (CEDEFOP, 2018[33]). Although Bulgaria's LPVET includes nearly 600 specialities in 47 professional areas, about 64% of all VET students were enrolled in the top 10 professions in 2019. Moreover, 20% of VET students were enrolled in VET areas associated with low-skilled jobs, such as the services and agricultural sectors, despite the gradual move of Bulgaria's economy to higher value-added industries that demand higher-level skills (World Bank, 2022[27]).

The vast majority of higher education graduates find work, but there are some concerns about the relevance and quality of their skills. In 2021, employment rates among recent tertiary graduates – aged 20-34, not in education and training – were at 83%, higher than graduates with lower education attainment but slightly below the EU average (85%) (Eurostat, 2022[32]). In Bulgaria, employers are concerned about increasing difficulties in finding workers with the right set of skills and knowledge (Figure 2.2). One challenge concerning the quality of higher education programmes in Bulgaria is the tendency to rely on a theoretical approach to learning, with little space given to practice and a lack of attention given to the skills needed by employers (Kovacheva and Hristozova, 2022[21]). This is partly linked to the lack of relevant and reliable labour market information (see Chapter 5) and limited co-operation with employers.

Figure 2.2. Indicators of skills imbalances in Bulgaria and selected countries, 2019



Source: OECD calculations based on ManpowerGroup (2021[34]), *ManpowerGroup Employment Outlook Survey Q3 2021: Bulgaria Results*, https://go.manpowergroup.com/hubfs/Talent%20Shortage%202021/MPG_2021_Outlook_Survey-Bulgaria.pdf; OECD (2022[35]), *Mismatch by country*, https://stats.oecd.org/#.

StatLink https://stat.link/2afmt9

Moreover, higher education enrolments by field of study in Bulgaria do not seem to be highly responsive to the needs of the labour market. In 2020, the shares of 25-34 year-old tertiary graduates in Bulgaria whose field of education did not match their occupation (30%) or who were overqualified (27%) were slightly above the EU averages (28% and 24%) (CEDEFOP, 2022[36]; Eurostat, n.d.[37]). There may be an over-supply of students in certain higher education courses (e.g. business and law) and an under-supply of others (e.g. STEM) (World Bank, 2022[29]). In 2020, for example, only 3% of tertiary graduates held qualifications in natural sciences, mathematics and statistics (compared to the EU average of 6%) (Eurostat, 2022[38]). In contrast, 5% had qualifications in information and communications technology (ICT) (compared to the EU average of 4%) (Eurostat, 2022[38]). Bulgaria faces skills shortages in particular knowledge areas requiring high-level skills, including in medicine, training, education and science (OECD, 2022[39]).

Another challenge for the country is its youth's low levels of digital skills. Bulgaria has one of the highest shares in the European Union of 16-24 year-olds with limited basic digital skills (7% versus 2% in the European Union, 2021) (Eurostat, 2023[40]). In a world characterised by increasing digitalisation, and in which digital technology is an increasingly important driver of innovation and economic growth, most people need strong digital skills for success in work and life.

The economic disruption caused by COVID-19 has lowered job prospects and increased unemployment, especially for young people (Kovacheva and Hristozova, 2022[21]). This makes increasing the responsiveness of VET and higher education to changing labour market needs even more crucial.

Opportunities to develop youth skills

Bulgaria's performance in equipping young people with skills for work and life reflects a range of individual, institutional and system-level factors, as well as broader economic and social conditions in the country. However, three critical opportunities for improving Bulgaria's performance have emerged based on a review of the literature, desk research and data analysis, and input from the officials and stakeholders consulted during this Skills Strategy project (hereafter, "project participants").

The three main opportunities for developing youth skills in Bulgaria are:

1. ensuring that curriculum reform and assessment practices improve students' skills
2. developing a highly skilled teaching workforce
3. making vocational and higher education more responsive to labour market needs.

These opportunities for improvement are now considered in turn.

Other opportunities for improving youth skills are covered in other chapters or are out of the scope of this report. For example, providing young people with high-quality information on labour market needs and financing formal education effectively are discussed in Chapter 5 of this report. While Bulgaria also faces challenges with access to and quality of ECEC, ECEC is undergoing substantive reforms (e.g. making ECEC compulsory and free from the age of four), the outcomes of which are not yet fully known. The country has also adopted national programmes such as Together for Every Child to help ensure the coverage and inclusion of children in compulsory ECEC. As such, ECEC is not covered in this review.

Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills

Successfully designing and implementing modern school curricula are essential for equipping students with the skills needed for success in work and life. Many OECD countries seek to implement curricula that equip students with skills, knowledge, attitudes and values that allow them to navigate an increasingly interconnected, digitalised, complex and uncertain world. This has been seen in curricula reforms aimed at achieving a more competency-based approach to learning that reflects both local and global influences and allows students to cultivate key competencies (Yong-lin, 2007[41]; Gouëdard, 2020[42]; OECD, 2018[5]). Curriculum reforms have also emphasised student agency, well-being and ability to solve problems (OECD, 2018[5]; Gouëdard, 2020[42]).

Beyond curricula, effectively assessing what students know and can do is also essential for equipping them with the skills needed for success in work and life. Many OECD countries seek to develop effective assessment systems that facilitate evidence-based decision making and system improvement (OECD, 2013[43]). Aligning assessment practices with competency-based curricula is complex as it involves assessing students' diverse competencies rather than just assessing students' ability to reproduce knowledge. In an effective assessment framework, summative assessments aimed at grading students at the end of a learning unit should be accompanied by formative assessments or assessment for learning, aimed at facilitating student improvement.

Bulgaria initiated a major reform in 2016 to establish a competency-based curriculum to replace a traditional curriculum focused on knowledge reproduction. The competency framework (that sets out and defines each competency to be developed by students) underpinning the curriculum is aligned with the European Parliament and Council of Europe's Recommendation on Key Competences for Lifelong Learning (2006, updated 2018). The framework has established nine interdependent and transversal competencies to be embedded across school education for both general and VET programmes (Education 2030 Association, 2019[44]). The competency-based curriculum was legislated in the PSEA (2016), and the 2021/22 school year marked the first time all students in Bulgarian schools should follow the new curriculum. The Directorate for the Content of Pre-school and School Education within MES has overseen the introduction of the competency-based curriculum.

The competency-based curriculum framework is complemented by educational standards, which define the knowledge, skills and attitudes required for each subject at the end of each education level. However, teachers lack guidance and support to implement competency-based curriculum in the classroom. Project participants reported that the lack of clear goals linking teaching practices to key competencies, as well as

a clear plan and capacity building for their practical inclusion at the classroom level, have resulted in the ineffective implementation of the competency-based curriculum (Education 2030 Association, 2019[44]).

Changes have also started to be made to Bulgaria's assessment framework. Ordinance 11 (2016) introduced a new student assessment framework that seeks to align with a competency-based curriculum. For example, the assessment framework focuses more on formative assessment practices (Guthrie et al., 2022[13]). The ordinance also defines the purposes and operationalisation of the country's national student assessment system, providing data on learning outcomes (known as the national external assessments).

For these recent changes to be translated into a new approach to teaching and learning in the classroom, project participants mentioned the need to build awareness about the curriculum reform, showing how it fits a broader vision for quality education. They also mentioned the need to support and train teachers to implement the competency-based approach (see Opportunity 2). Moreover, Bulgaria needs to redesign its external student assessment system to measure learning outcomes and monitor the implementation of the competency-based curriculum.

The OECD's Directorate for Education and Skills has recently published an *Evaluation and Assessment Review of Bulgaria's Education System* (Guthrie et al., 2022[13]). Opportunity 1, in particular, draws and builds on some of the findings and recommendations of this review.

Building awareness and capacity for curriculum implementation

One of the major difficulties countries face when introducing curriculum reform concerns implementation (Gouëdard, 2020[42]). Curriculum implementation includes translating reforms into classroom practices and accomplishing the desired objectives of the reform. In addition, a curriculum change is highly cultural and political as it determines a society's vision by deciding the skills and knowledge that are valuable to pass on (Gouëdard, 2020[42]). As such, it is important to have a clear and shared vision for curriculum reform that articulates the purpose of the reform, why it is needed, the benefits it will have and how it can be achieved.

Although the move to a competency-based curriculum is one priority of Bulgaria's National Development Programme (Table 2.1), the country is struggling to implement curriculum reform. The competency-based approach has been translated into modifications to the normative and strategic framework of the country (Table 2.1). This included, for example, the development of an action plan for the Strategic Framework for the Development of Education, Training and Learning (2021-2030) in 2022. However, this has resulted in only limited changes to teaching and learning at the classroom level. Recent research (Education 2030 Association, 2019[44]) and project participants suggest that there are barriers to the successful implementation of the competency-based curriculum.

Several project participants stated that Bulgaria lacks a clear and shared vision of the curriculum reform and its benefits, as well as a detailed action plan to achieve its implementation (e.g. including key steps, roles and responsibilities to support schools in the different phases of curriculum implementation). One of the main barriers to successfully implementing education policy is stakeholders' lack of engagement and preparation for translating reforms into practice (Viennet, 2017[45]). For a curriculum reform to succeed, all key stakeholders need to grasp the vision for the reform and understand what it entails for them. Effective communication, awareness and capacity building, among others, are key for effective curriculum implementation, as they foster ownership and individual and collective sense making (Gouëdard, 2020[42]). Therefore, Bulgaria should strengthen efforts to raise awareness of and buy-in to the reform among policy makers, subnational authorities, principals and teachers, and student and parent representatives.

The regulations and guidance for the competency-based curriculum could more clearly define each competency and related learner outcomes. MES has issued some guiding documents for supporting stakeholders in curriculum implementation. These include the Transition from Knowledge to Skills, which is a guide on the process of reorientation from subject-oriented to result-oriented learning; the Competences and Reference Frameworks, which is a short, adapted presentation of the existing reference frameworks; and a summary table of the key competencies that the national education system aims to develop. However, the regulatory framework that introduced the competency-based curriculum does not establish the scope of each specific key competency, and the accompanying guidelines have not clarified the expected competency-related outcomes or how to assess them (World Bank, 2020[46]).

Training, support and capacity building for teachers to implement the competency-based curriculum in classrooms has been insufficient. The majority of teachers in the country are used to teaching methods that focus on developing subject-specific knowledge. The set of guiding materials prepared and distributed by MES are not perceived to have helped change teaching practices as they did not provide practical examples of how to support students in acquiring key competencies (World Bank, 2020[46]). The REDs are now responsible for providing more practical, methodological support to teachers, including on the competency-based curriculum, for example, by "organising training and sharing good practices" (Education 2030 Association, 2019[44]). However, the intensity and quality of these activities are not consistent across regions. This may reflect that not all REDs or staff have the needed skills, knowledge, experience or time to perform their new roles (Guthrie et al., 2022[13]; World Bank, 2020[46]) and may also lack financial resources for these functions.

The local-level, needs-based methodological support envisaged for REDs could bring important results as experts know the local school contexts and challenges of school networks. MES, through the work of REDs, could also support building teacher capacity and agency in the reform process by stimulating opportunities for networking and collaboration. Changes also need to be made to initial teacher training and continuing professional development (CPD) programmes, ensuring that teachers are trained to introduce this competency-based approach to teaching (see Opportunity 2 for more detailed information). This would allow teachers, once aware of their roles and responsibilities stated in the vision of the curriculum reform, to implement changes at the classroom level.

Addressing the aforementioned challenges is even more important as MES began reviewing the school curriculum again in 2022. Given concerns that the current curriculum is still too focused on subject knowledge and not enough on developing competencies and interdisciplinary skills, in 2022, MES began reviewing the framework and content of all subjects taught from Grades 1 to 10. In this context, MES should closely engage education stakeholders in order to develop and impart a shared vision for the reforms, including what the reform will look like at the classroom level. This should include clear and measurable objectives to guide the implementation of the curriculum, as well as clearly defined and well-supported roles and responsibilities for key stakeholders.

Bulgaria could build on the potential of REDs (Box 2.1) and learn from the experience of Wales (United Kingdom) in reforming curriculum (Box 2.2) in order to successfully implement its competency-based curriculum reforms. With sufficient engagement, capacity building and resourcing, REDs could provide useful methodological support to teachers and share good practices on implementing the competency-based curriculum. In addition, REDs could work with and learn from existing grade-specific and/or subject-specific teacher communities within Bulgarian schools to support teachers effectively. Furthermore, Wales' efforts at reforming school curriculum provide various lessons for Bulgaria, especially regarding stakeholder engagement and buy-in to the reforms (Box 2.2).

Box 2.1. Relevant national example: Building awareness and capacity for curriculum implementation

Bulgaria: Regional education departments (REDs) and teacher communities

Since 2017, REDs in Bulgaria (previously known as regional school inspectorates) have been tasked with providing methodological support to schools at the local level. This pedagogical support includes consultations, training, sharing good practices and other forms of peer learning. REDs are expected to work with teachers and school principals to identify their needs and design initiatives to support them. Each RED needs to develop an annual plan with trainings and other initiatives aimed at providing additional support to teachers and school leaders at the local level.

Although the methodological support given by REDs is still dependent on the capacity and knowledge of each member of RED staff, the introduction of a new, formative function for them (e.g. moving from an inspection role to a supportive role) is part of Bulgaria's wave of reforms brought by the PSEA. It represents an actionable step towards ensuring that all students have access to quality schooling and gain relevant skills.

Project participants noted that for methodological support, schools usually also rely on teacher communities (*metodičeski obedinenija*). These teacher communities – or teacher methodological unions – exist in almost all schools in Bulgaria (although official data are not available) and are part of the institutional framework for providing intra-school professional development activities. The type of methodological communities in each school depends on the decision of the schools and their context, but they usually tend to be divided by education level (e.g. methodological community for primary or lower secondary education teachers).

Some examples of concrete activities included in the plans of methodological communities include:

- familiarising teachers with the normative documents and with new developments in the methodological and specialised literature on the different educational disciplines
- encouraging teachers' participation in various CPD activities
- analysing learning outcomes and preparing plans for specific work with pupils (including individual work).

The role of teacher methodological communities can vary depending on the school, as no strict regulation defines them. However, as part of the external evaluation carried out by the National Inspectorate of Education, schools are assessed by whether or not they have established such structures as a way to foster teamwork and professional dialogue between pedagogical specialists. Although no research is available that looks at the impact of these communities in supporting teachers in Bulgaria, they could be helpful sources of information and examples of how to support teachers in their schools, taking into account specific local-level contexts.

Source: Guthrie et al. (2022[13]), *OECD Reviews of Evaluation and Assessment in Education: Bulgaria*, https://doi.org/10.1787/57f2fb43-en; National inspectorate of Education (2021[47]), *analiz na kačestvoto na obrazovanieto v inspektirani detski gradini i učiliša učebna 2019/2020 g. [analysis of the quality of education inspected kindergarten and schools academic year 2019/2020]*, Анализ-на-качеството-19-20г.pdf (government.bg).

Box 2.2. Relevant international example: Building awareness and capacity for curriculum implementation

Wales (United Kingdom): Curriculum reform and implementation

Since 2017, Wales has been in the process of reforming its education system to achieve school improvement. One of the main components of this reform has been curriculum change. Wales prepared an action plan that provided an overview of the reform journey and spelt out the 2021 ambitions and actions for learners, the teaching profession, the school system and the Welsh Government.

Wales then collaborated with stakeholders on developing a new national curriculum framework. After being made available for public consultation, the final version of the document was published in January 2020. The Welsh Government invited the OECD to assess the implementation of the new Curriculum for Wales, review the country's readiness to implement the new policy, and suggest the next steps for implementation. The OECD found that the main challenge for Wales was related to providing continuity for the reform vision while acknowledging that the next implementation steps had to place schools and their communities at the centre. To ensure the intentions of the new curriculum were translated into practice, the OECD identified several barriers, including a lack of deep understanding and awareness of what successful realisation of the curriculum might look like in practice and capacity challenges for schools to design their own curriculum. Following OECD recommendations and discussions with practitioners, the Welsh Government and the Strategic Education Delivery Group updated their implementation strategy and plan for the curriculum implementation.

Wales published the implementation plan for the realisation of their new curriculum in October 2020. The document set out the expectations for schools to design their curriculum and how the country would support stakeholders in implementing the curriculum reform. The implementation plan put forward: 1) a common, strategic vision for what curriculum realisation means in practice, as recommended by the OECD; 2) a guiding framework and ways of working that allow all parts of the education system to be aware of the curriculum changes and to move towards the same goals; 3) the roles and responsibilities for stakeholders in terms of supporting schools towards curriculum realisation; 4) the specific steps all actors involved in curriculum implementation would take to support schools and settings as they moved towards implementation of the Curriculum for Wales; and 5) the challenges facing the education system in Wales in implementation, and signposted how they planned to address these in the spirit of collaboration and co-construction with stakeholders across the country.

The new curriculum was introduced in ECEC and primary schools in September 2022. It will be introduced in secondary schools in September 2023 (with schools having the choice to introduce it in 2022/23 for Year 7).

Source: Welsh Government (2018[48]), Education in Wales: Our national mission, https://gov.wales/sites/default/files/publications/2018-03/education-in-wales-our-national-mission.pdf; OECD (2020[49]) , Achieving the New Curriculum for Wales, https://doi.org/10.1787/37ba25ee-en.

Recommendations

1.1 **Increase education stakeholders buy-in to the vision for curriculum reform and develop a detailed action plan with these stakeholders to facilitate implementation**. MES should increase efforts to clearly communicate the rationale, expected benefits and desired outcomes related to the implementation of curriculum reform to education stakeholders (e.g. government officials, experts, teachers, school leaders and local authorities). These communication efforts should be accompanied by a detailed action plan that articulates how the vision will be translated to changes at the classroom level. The action plan should identify the key activities, timelines, resources, indicators and responsible actors to implement the curriculum reform. This includes setting out what resources and tools will be available to schools and teachers (e.g. teacher training on the competency-based curricula), and defining relevant indicators and targets to monitor reform implementation.

1.2 **Reinforce the capacity of regional education departments to provide methodological support to teachers in implementing the competency-based curriculum**. MES should reinforce the capacity of REDs to provide methodological support to teachers and school communities in developing practices focused on students' acquisition of key competencies. To do so, MES should review REDs' capacity and resources. It should subsequently build capacity within REDs through staff training to support and mentor teachers on the competency-based curriculum (e.g. how to develop and apply competency-based curricula). MES should also increase REDs' resources as needed while improving monitoring of REDs' activities to ensure effective support for implementing the competency-based curriculum.

Aligning external assessments with the competency-based curriculum

Modernising assessment practices to align with the competency-based curriculum is also a necessary condition for ensuring that Bulgaria's education reforms improve students' skills. Assessing students' learning outcomes and using results to enhance learning practices and guide system improvement is key for any education system. In the context of Bulgaria's transition to a competency-based curriculum, external assessment tools need to monitor students' acquisition of diverse and higher-order competencies. The results of assessments should also be used to monitor students' progress against national learning standards and guide system improvement over time.

In addition to school-based assessments developed by teachers to monitor student progress, Bulgaria externally assesses students with two main tools developed by the Centre for Assessment of Pre-school and School Education (CAPSE):

1. **National external assessments**: All students take these assessments in Grades 4, 7 and 10. CAPSE is the agency responsible for their design and administration. Students are assessed in mathematics and Bulgarian language and literature, and some choose to take the assessment in foreign languages. The national external assessment system uses a single test instrument to serve multiple purposes, including system monitoring and selection (i.e. allocating students to different secondary education programmes and schools after Grade 7).
2. **The State Matura examination**: This examination is administered to students after Grade 12 (at the end of upper secondary education). This is used for education certification and entrance to higher education. It is also developed and administered by CAPSE. Students are assessed in the Bulgarian language, literature and a subject of their choice. Students also have the option to take the examination in two other additional subjects (e.g. a foreign language).

The regulatory framework and policy documentation related to the introduction of the competency-based curriculum support the update of school-based assessment practices to monitor student progress and improve learning. However, they do not provide specific guidance on how external assessments should be aligned with the competency-based curriculum. The introduction of Ordinance 11 (see above), for example, and the new assessment framework help educators understand the main types of assessments and how to organise them in the context of the new curriculum. The regulatory framework for the new curriculum establishes that assessments should monitor the implementation of the new education process. However, the regulatory framework does not specify how the national external assessments should be redesigned or how assessment results should be used.

Bulgaria has not yet aligned external student assessments with the competency-based curriculum. Currently, the national external assessments consist of multiple-choice, open-ended and essay writing tasks that can, in theory, help measure a wider range of skills, including higher-order thinking skills reflected in Bulgaria's new curriculum. However, the content of questions and the criteria used to assess students' responses are still predominantly focused on knowledge reproduction and memorisation rather than applying critical thinking skills aligned with the competency-based approach to teaching and learning. The results of these assessments also cannot be compared over time because the scoring system is not criterion-referenced – that is, designed to measure student performance against a fixed set of predetermined criteria or learning standards.

The national external assessments also lack most of the basic features that allow assessments to measure learning outcomes against national standards. For example, Bulgaria lacks basic psychometric resources for the assessments, such as proficiency scales linked to learning standards and calibrated test items (i.e. a technique to estimate characteristics of questions for achievement tests making sure items are on the same scale). Furthermore, assessments are not designed to inform progress on students' acquisition of key competencies (Guthrie et al., 2022[13]; World Bank, 2020[46]; Education 2030 Association, 2019[44]). As a result, teachers may not place sufficient emphasis on developing students' competencies when teaching and preparing students for external assessments.

Furthermore, the results of external assessments are not systematically provided to or used by schools to enable continuous improvement. While school results are presented on line, there is no reporting with a more in-depth analysis of results to inform policy making and pedagogical intervention. Moreover, since the national external assessments are not aligned to the competency-based curriculum, results cannot be used to inform and/or evaluate the implementation of the competency-based curriculum at the national or subnational level, nor generate information to help improve teaching and learning of the new curriculum. The recently published *OECD Reviews of Evaluation and Assessment in Education: Bulgaria* suggested, among other things, that Bulgaria create a "state of education report" that would include analysis from the national external assessments to inform policy making (Guthrie et al., 2022[13]).

Overcoming the longstanding summative assessment culture in Bulgaria's education system, where tests are used to sort students into different schools, will be key to successfully reforming student assessments. Currently, the national external assessments have a strong selective function, especially after Grade 7, and educational stakeholders have little incentive to change this. A comprehensive, structural reform to the schooling system in Bulgaria would need to take place to address this challenge. The recent OECD review (Guthrie et al., 2022[13]) recommends, for example, decoupling the selective role of the national external assessments and introducing a new, optional and more suitable selection examination for matching students with different school types. This could be an alternative, and help overcome any resistance, to aligning national external assessments with the competency-based curriculum.

To support the alignment of the national external assessments with the competency-based curriculum, Bulgaria could build on the recent changes made to the State Matura examination after Grade 12, which included new subject specifications that allowed for some competencies to be assessed more in line with the competency-based curriculum (Box 2.3). The country could also consider insights from Australia, which introduced new assessment frameworks in 2016 to adjust its national assessment system to major curriculum reforms (Box 2.4).

Box 2.3. Relevant national example: Aligning external assessments with the competency-based curriculum

Bulgaria: Changes made to the State Matura examination

Following the introduction of the new competency-based curriculum and its implementation for Grade 12 students in the 2021/22 academic year, each subject's specifications for the State Matura examination were updated. The main reason for this change was to introduce the assessment of competencies under the new subject specifications (which includes changes to define the number and the types of questions used), requiring students to demonstrate specific skills (e.g. “Evaluates texts according to the success of the communicative goal” and “Analyses and creates written texts, adequate to the communicative situation”).

Incorporating more diverse question types can help improve an assessment’s validity by measuring a wider range of higher-order thinking skills and other competencies set out in a new curriculum. While some competencies requirements are still expressed in terms of what students should know, this is an important step towards designing an examination more aligned with the country’s goal of moving to a competency-based approach to learning.

Source: Guthrie et al. (2022[13]), *OECD Reviews of Evaluation and Assessment in Education: Bulgaria*, https://doi.org/10.1787/57f2fb43-en.

Box 2.4. Relevant international example: Aligning external assessments with the competency-based curriculum

Australia: Aligning national assessment with curriculum reform

Following the introduction of a new national curriculum in 2015, the Australian Curriculum, Assessment and Reporting Authority took steps to align its longstanding National Assessment Program (NAP) – Australia’s main national measure of student learning outcomes. NAP has two arms:

- **The National Assessment Program – Literacy and Numeracy (NAPLAN)**: Established in 2008, this annual assessment is taken by all students in Years 3, 5, 7 and 9 to determine whether or not young people have the sufficient literacy and numeracy skills needed for further learning and their participation in the community. NAPLAN is only one of the tools used to assess students and does not replace the extensive, ongoing assessments made by teachers about each student’s individual performance.
- **The National Assessment Program – Sample Assessments**: First established in 2003, this assessment programme measures a sample of students in Years 6 and 10 on science literacy, civics and citizenship, and ICT literacy on a rolling three-year basis.

To align test constructs and question items with the national curriculum reform, Australia formulated new assessment frameworks that include detailed descriptions of how NAP tests reflect the learning domains, scope and sequence of the relevant curricula subjects. For example, the new framework explains how the structure of the NAPLAN English tests cover the national curriculum strands of language, literature and literacy; how the reading tasks set in the tests will include the three text types set out in the national curriculum; and how the grammar constructs included in the tests will be those required by the national curriculum. A similarly rigorous approach to curriculum alignment is set out for the numeracy elements of the NAPLAN and the subjects covered by the Sample Assessment Program. Importantly, these frameworks were developed in close collaboration with assessment and subject area experts, which increased the credibility links between the curriculum and assessment.

Australia's collaborative efforts to align the national curriculum and the NAP have greatly improved the student assessment system. The alignment has given policy makers, teachers and other stakeholders a better understanding of how students across the country are progressing against the set of national learning standards.

Source: NAP (2016[50]), *FAQs*, http://www.nap.edu.au/naplan/faqs; Lambert (2016[51]), *Educational Standards and Australia: A changed landscape*, https://dx.doi.org/10.1590/s2176-6681/291437381; OECD (2021[52]), "National assessment reform: Core considerations for Brazil", https://doi.org/10.1787/333a6e20-en.

Recommendations on aligning external assessments with the competency-based curriculum

Recommendation

1.3 **Strengthen the national external assessment system by accelerating efforts to align it with the competency-based curriculum.** CAPSE should introduce test items that are able to assess students' competencies in relevant, practical contexts and focus less on student memorisation of knowledge. This could include introducing constructed-response items that measure a student's ability to formulate an argument and defend a point of view. CAPSE should develop an item bank with calibrated test items to increase the validity of the test. The agency should also prioritise investments in other essential psychometric resources to strengthen the national assessment system, such as installing a criterion-referenced scoring process to compare results over time. This would involve introducing performance levels and aligning these with Bulgaria's national learning standards. MES should work closely with and support CAPSE to ensure the agency has sufficient financial and technical resources to implement these reforms to the national external assessments.

Opportunity 2: Developing a highly skilled teaching workforce

What teachers know and can do is one of the strongest direct school-based influences for improving the skills of young people (Darling-Hammond, 2000[4]). A high-quality and effective learning environment can also play a major role in decreasing socio-economic gaps between students. Teachers play an important role in providing students with the tools they need to develop the knowledge and transversal skills to continue in post-secondary education and enter the job market. Investing in the quality of teachers and ensuring they have the opportunities to update their knowledge will be essential for improving the skills of young people and successfully implementing Bulgaria's curriculum reforms. This requires high-quality and accessible initial teacher education (ITE) and CPD programmes, among other things.

Bulgaria faces an ageing teacher population, which creates risks in ensuring a sufficient quantity and quality of teachers (European Commission, 2021[53]). As a response, in recent years, the country has implemented several policies to ensure that it can replace retiring teachers. For example, it has: significantly increased teachers' salaries; covered the tuition fees of ITE; tried to make ITE more accessible through supporting universities to open more programme places and expanding distance learning; and has also been trying to attract more high-achieving performing graduates through the provision of scholarships (World Bank, 2020[46]). These actions have contributed to a growing number of students enrolling in ITE programmes in recent years. However, they have not fully resolved shortages of ITE students in specific subject areas (such as STEM) and regions (especially regions with higher levels of socio-economic disadvantage).

Bulgaria has also introduced a range of policies to build the capacity of teachers. For example, Bulgaria's National Strategy for the Development of Pedagogical Staff (2014-2020) and the PSEA (2016) led to several changes. These included creating core content for ITE programmes, introducing teacher standards (defining the pedagogical, managerial, social, and civic competencies that teachers are expected to possess) and creating a teacher career structure that makes teachers' CPD mandatory. With these reforms, Bulgaria's policies to strengthen the teaching profession have converged with what is in place in many other European countries. However, some of these policies have not yet been fully implemented or achieved their desired outcomes. For example, not all ITE programmes have yet adopted the core content foreseen by Bulgaria's strategies and legislation.

Despite these reforms, there remain challenges to equipping the teaching workforce to improve youth skills in Bulgaria. For example, there are concerns about recent teaching graduates' quality and readiness for the profession. Evidence shows that teacher candidates' grades are below the average of students in other higher education tracks (World Bank, 2020[46]). Despite recent increases in the number of applicants, relatively few high-achieving upper secondary students are attracted to the teaching profession. Moreover, compared to OECD and EU countries, the amount of time dedicated to teacher practicums in Bulgaria is low, and school-based practice for teachers is not a priority for ITE programmes.

Furthermore, the country also struggles with a fragmented CPD system, with many different providers and a lack of quality control for the programmes offered. Project participants have mentioned the need for a needs-based CPD system, as currently, much of the training that does occur is not closely aligned with teachers' individual and evolving learning needs, especially those of VET teachers. It will be important that Bulgaria complements its policies to attract more teacher candidates with policies to ensure the quality of the teaching workforce. This can help ensure that Bulgaria's increasing public investments in the teaching workforce attain their desired effect on helping develop youth skills.

Selecting and preparing high-quality teaching candidates

Selecting and preparing high-quality teaching candidates is essential for Bulgaria's efforts to develop a highly skilled teaching workforce that can improve youth skills. As noted above, Bulgaria has put in place several policies in recent years to improve the performance of its teaching workforce. Much of these efforts have focused on updating ITE core content and attracting more teachers to the profession. However, project participants voiced that teacher candidates' quality and readiness to enter the profession have been persistent concerns for the country's education system.

Like other European countries, Bulgaria has both concurrent and consecutive (one year) models[7] of initial teacher preparation that lead to either a bachelor's or master's degree. Around 13 (12 public and 1 private) of Bulgaria's 54 universities offer ITE programmes. In 2019, public universities offered 5 616 places to ITE, of which 94% were filled (World Bank, 2020[46]). According to the latest OECD Teaching and Learning International Survey (TALIS), 29% of teachers in Bulgaria have received a comprehensive ITE, lower than the OECD average of 39%. A comprehensive ITE includes subject content, pedagogy, classroom practices, cross-curricular skills, teaching in a mixed-ability setting and classroom management (OECD,

2019[54]). Indeed, many ITE applicants do not go on to become teachers and are relatively low-skilled. Project participants raised concerns about the limited share of students graduating from ITE. The percentage of graduates of ITE that actually enter the profession has been low, with between 40% and 65% of graduates of pedagogical programmes not entering the teaching profession (OECD, 2019[54]). The low transition rate between ITE and teaching is particularly concerning considering the amount of financial resources and incentives put into attracting new teachers (e.g. elimination of tuition fees and provision of scholarships) in recent years. The lack of specific entrance tests and interviews to evaluate teacher candidates' motivation and strengths could explain the low transition rates from ITE to teaching. In addition, candidates applying for ITE programmes perform below the average (based on students' grade point average) of the overall population entering higher education (World Bank, 2020[46]).

ITE admission processes in Bulgaria do not set minimum academic requirements (apart from students' successfully passing the Matura examination) or necessarily assess students' broader competencies and motivations. An important feature of the world's best-performing education systems is that ITE places are offered to the most able and suitable candidates (Barber, 2007[55]). Implementing varied mechanisms to assess teacher candidates' suitability beyond their academic grades (e.g. assessing soft skills, such as motivation, commitment, interpersonal skills, etc.) can help get the best students into the teaching profession. Evidence shows that teachers' socio-emotional skills are particularly important for supporting low-skilled students, while teachers' cognitive skills mainly benefit high-skilled students (Grönqvist and Vlachos, 2016[56]). Students in Bulgaria enter ITE based on their academic performance (e.g. passing the Matura examination and, depending on the university, on further entrance examinations and previous grades from school education). However, currently, there are no minimum requirements for admission into ITE. Also, it is not common for all ITE providers in Bulgaria to assess applicants' broader competencies, such as motivation, commitment, interpersonal skills, etc., via interviews or other means as part of admission processes. This is also a missed opportunity to improve equity, for example, by allowing suitable candidates who have not completed the Matura from disadvantaged backgrounds to enter ITE studies.

Bulgaria could benefit from an admission process for ITE that is more selective and more comprehensively assesses applicants' competencies. It is unlikely that more selective admission requirements for ITE in Bulgaria would lead to a shortage of entrants or teachers. The number of students entering ITE has increased very recently. For example, the proportion of new pedagogical studies entrants increased from 2019 to 2020 by around 7.6% (European Commission, 2021[53]). This at least partly reflects policies to increase teacher salaries and attract more students to the profession. More selective admission requirements in isolation may deter some applicants and reduce the number of ITE entrants. However, this would be at least partially offset by more comprehensive admission requirements that allow students without high academic grades, but with strong motivation and socio-emotional skills, for example, to enter ITE. Any changes to ITE admission requirements should be accompanied by systematic forecasting of teacher demand (see Chapter 5) and continued incentives to fill shortages in specific subjects and geographic areas.

As highlighted by project participants, Bulgaria could also boost the quality and readiness of teachers by increasing practical learning and exposure to different teaching practices during ITE. The core content framework for ITE was updated in 2021 to increase the amount of study time in areas like pedagogy, competency-based teaching approaches and inclusive education. However, the minimum practicum time (i.e. in-school placement) remains low and has not changed. ITE students in Bulgaria have a minimum of 10 European Credits Transfer System (ECTS) credits[8] for practicum time, compared to 60 in Iceland, 50 in Hungary, 39 in Latvia and 30 in Lithuania – all countries with the same length of ITE programmes as Bulgaria (European Commission/EACEA/Eurydice, 2021[57]).

School-based practicum is not highly prioritised in Bulgarian ITE programmes. For example, the pool of schools that offer teacher practicum is limited, as universities tend to rely on establishing partnerships with schools close to their campus, which are usually the best-performing urban schools (World Bank, 2020[46]).

Theoretical knowledge is still also prioritised over practical knowledge in Bulgarian ITE. Teaching practices in Bulgarian ITE programmes could be more closely connected to what is required in schools. Furthermore, most ITE programmes in Bulgarian universities still rely on traditional teaching methodologies, such as seminars and lectures (World Bank, 2020[46]). As ITE graduates tend to replicate the teaching practices of their university professors (World Bank, 2020[46]), ITE programmes should allow students to experience a variety of modern teaching methods, especially those effective for competency-based curricula.

Bulgaria could better prepare teachers through ITE by involving current teachers in ITE and strengthening teacher mentoring. For example, MES could support the participation of current teachers in delivering course content during ITE. Furthermore, while mentoring exists for novice teachers during practicum, teacher mentors do not always receive enough training and support for this role. There also seems to be a lack of incentive for teachers to become mentors, who currently receive a minimum remuneration of BGN 60 (Bulgarian lev) per month for a duration of up to one year (World Bank, 2020[46]).

Bulgaria could build on the experience it acquired through its national programme – Motivated Teachers and Qualification – to recruit and prepare motivated professionals or graduates to become successful teachers (Box 2.5). This experience could also serve as an example of how ITE providers might make their admission processes more comprehensive. Bulgaria can also look to the examples of Albania and Finland, which have stricter admission requirements for students interested in ITE programmes (Box 2.6).

Box 2.5. Relevant national example: Selecting and preparing high-quality teaching candidates

Bulgaria: Motivated Teachers and Qualification programme

The national programmes, Motivated Teachers, and Qualification (merged as "Motivated Teachers and Qualification" in 2022) recruit, train and support highly motivated professionals and graduates from different fields to become inspiring teachers.

Candidates wanting to participate in the programme undergo a rigorous selection process. Among the criteria used to recruit candidates are analytical skills, motivation, communication skills and working in a challenging environment, among others. In addition, the programme looks for people with strong motivation who desire to develop and work with students that struggle the most. Over the course of two years, candidates receive teacher training in partnership with universities. Candidates use what they have learned to continue their development as successful teachers.

In 2019, the Motivated Teachers programme attracted approximately 300 teachers to schools experiencing shortages of teachers in mathematics, physics and astronomy, informatics and information technology (IT). It also provided introductory training and was included in basic training for the acquisition of teacher qualifications in mathematics; physics and astronomy; informatics and IT; and foreign languages to about 50 specialists.

In 2019 and 2021, the Qualification programme provided professional training to over 5 000 teachers. The two programmes were merged in 2022 and outsourced to a consortium of two organisations – Teach For Bulgaria and the Bulgarian Union of Teachers.

Source: Teach for Bulgaria (2022[58]), *Our Programs*, https://zaednovchas.bg/en/about-us/; World Bank (2020[46]), *Bulgaria: Teaching Workforce Developments and Recommendations*, https://openknowledge.worldbank.org/handle/10986/36796); MES (2023[59]), *Ministry of Education and Science*, https://web.mon.bg/en/.

Recommendations

1.4 **Introduce a more selective and comprehensive admission system for initial teacher education to ensure the suitability and quality of teaching candidates**. MES should create a working group gathering university representatives to encourage initial teacher education (ITE) providers to establish a common minimum threshold score for ITE admission. The threshold score should be based on State Matura scores and ensure that candidates have achieved a basic level of competency in key subject areas assessed by the State Matura. The working group should also be responsible for developing additional, more comprehensive selection criteria for assessing ITE applicants. This could include structured interviews and aptitude tests to assess both academic ability and candidates' non-cognitive skills (such as motivation, commitment, interpersonal skills, etc.). The working group should also discuss the weight to be given to the different criteria in the new ITE admission system.

1.5 **Improve the quality and relevance of initial teacher education by aligning it more closely with classroom practice, including by expanding and supporting teaching practicum**. The Bulgarian government should raise the minimum requirements for practical training during initial teacher education (ITE) to increase teachers' time in classrooms. In parallel, Bulgaria should better prepare teacher mentors for their roles, including through mandatory training. MES should also work with university representatives to expand the pool of schools available to teacher trainees. The pool of schools available for teacher practicum should be diversified and include schools from disadvantaged areas. MES should also work with university representatives to diversify the profile of teachers delivering course content during ITE, including inviting more current teachers to ITE classrooms. In particular, teachers working in rural and disadvantaged schools should be included in such an initiative to expose teacher candidates to a diverse range of classroom experiences and teaching methods.

Monitoring and improving teachers' continuing professional development

Ensuring relevant and high-quality CPD opportunities for teachers is also critical for Bulgaria's efforts to develop a highly skilled teaching workforce that can improve youth skills. A crucial component of professionalism among teachers and school leaders is their participation in CPD. Achieving professional-level mastery of complex skills and knowledge is a prolonged and continuous process. Professionals must continually update their skills as technology, skills and knowledge advance (OECD, 2019[54]).

Like most OECD and European countries, Bulgaria has made CPD mandatory for teachers. In 2016, Ordinance 12 established that teachers are required to update their competencies and knowledge continuously, and the country's teacher standards are expected to guide and serve as a reference point for professional development programmes. Teachers and school principals are expected to take two types of formal, regulated CPD: 1) compulsory training for continuing qualification credits;[9] and 2) programmes that lead to one of five successive professional qualification degrees.

External CPD is provided by specialised units, universities and scientific organisations and training organisations. These training providers are the only ones offering CPD programmes approved by the Minister of Education. Planning, co-ordination, governance and monitoring of CPD activities are shared between MES, regional education management units, municipalities and school principals. The government subsidises CPD programmes leading to qualification credits, and school principals are expected to use part of the school budget to cover CPD.

Every 4 years (the official period for appraisals), teachers must undertake at least 48 hours of external CPD programmes that issue credit points. Teachers are also required to participate in job-embedded team learning in the form of 16 hours of participation in an "internal institutional qualification".

Mandating CPD for teachers in 2016 led to almost universal participation by 2017. According to the TALIS 2018, 96% of lower secondary teachers in Bulgaria attended at least one professional development activity in the year prior to the survey (OECD, 2019[54]). This had increased from around 85% in the 2013 TALIS.

However, the quality and relevance of teachers' CPD in Bulgaria do not appear to be strong. A high share of Bulgarian teachers report that their CPD does not teach skills considered crucial for 21st-century teaching (e.g. identifying and addressing student disengagement, dealing with absenteeism and low motivation, etc.) (OECD, 2019[54]). A survey by Sofia University in 2019 found that while a large share of teachers was formally engaged in CPD in 2014-19, one in four had never participated in qualifications aimed at enhancing core competencies defined in the teacher standards (Gospodinov and Peicheva-Forsyght, 2019[60]). These results could reflect several factors, including the process for selecting priority areas of CPD by government and schools, as well as quality assurance arrangements for CPD.

Despite high participation, the CPD system in Bulgaria is not based on a robust assessment of teachers' training needs (Institute for Research in Education, 2019[26]). At the national level, MES determines priority topics for CPD provision by developing an annual list, the National Programme for Qualifications. At the school level, principals must spend at least half of their CPD training funds on internal or inter-institutional qualifications (e.g. discussion forums, open lessons, etc.) but otherwise have the autonomy to decide on their schools' annual CPD plan. However, decisions on the content of CPD are largely top-down, based on expert judgement rather than evaluations of teaching and learning gaps (World Bank, 2020[46]).

In particular, the results of teacher appraisals are not systematically feeding into CPD planning at the school or system levels. Every four years, teachers and school principals are assessed by a commission made up of school principals, RED experts and pedagogical council representatives. However, the current appraisal process is mainly used for career progression and does not provide clear or regular feedback on teachers' development needs. In contrast, formative, regular appraisals commonly involve appraisers within a school directly observing and assessing teaching practices in the classroom (Guthrie et al., 2022[13]).

Ex ante (pre-training) quality assurance of CPD programmes and providers could be strengthened. MES has made important progress in setting a framework with accreditation criteria for assessing the quality of training organisations and programmes. Training institutions providing professional development credits to teachers must be approved by MES, and their programmes must be registered in the Information Register of the Approved Qualification Programmes (IRAQP). Registration requires providers to demonstrate that their programmes are practical and theoretical and that their objectives and methods align with the knowledge, skills and attitudes defined in teacher standards. However, some providers of teachers' CPD are not required to have their programmes approved and registered in this system, namely specialised service units (i.e. the National Centre for Raising the Qualification of Pedagogues, operating under MES) and universities. Some universities providing CPD do not even have accredited pedagogy programmes. Having a diverse set of CPD providers without rigorous quality assurance and monitoring procedures makes it difficult to ensure that programmes align with the professional needs of teachers.

Bulgaria also lacks a systematic approach for *ex post* (post-training) quality assurance of CPD to ensure the desired outcomes of CPD are achieved. Bulgaria has taken steps to collect feedback on training programmes by allowing teachers to provide feedback on a purpose-built website (Box 2.6). Beyond this, however, Bulgaria does not assess whether mandatory and/or publicly subsidised and registered CPD is achieving key outcomes, such as improving teachers' skills, pedagogy and assessment, or whether it is improving students' performance.

Bulgaria could build upon its recent mechanism to collect feedback from teachers on CPD training (Box 2.6). This is an important initiative taken by the government and could be included as part of a more formal, outcomes-based framework of CPD quality assurance. The country can also learn from Norway and its experience in creating a quality assurance system that emphasises the local analysis of teachers' training needs, collective forms of professional learning and ongoing monitoring of the outcomes of CPD (Box 2.7).

Box 2.6. Relevant national example: Monitoring and improving teachers' continuing professional development

Bulgaria: A feedback mechanism in the Information Register of the Approved Qualification Programmes (IRAQP)

In 2021, Bulgaria passed a regulatory amendment that allows CPD participants to provide feedback about their training via MES's IRAQP. This is the first feedback mechanism introduced by the government to assess the quality and relevance of CPD programmes according to teachers' opinions and own experiences. The amendment specifies that:

- In a separate module of the IRAQP, so as to offer transparency and information about the qualification activities, pedagogical specialists shall provide feedback by filling in structured questionnaires to assess and express opinions about the conducted trainings on the approved CPD programmes.
- The feedback shall be provided electronically in order to provide an opportunity for automated processing of the data received from the trained persons and to summarise the user assessments and opinions.

As the feedback mechanism in the IRAQP is a recent development, there is limited information available about its use. However, systematically measuring teacher satisfaction with training is an important first step in assessing the quality and outcomes of CPD in Bulgaria.

Source: Government of Bulgaria ***(2019[61])***, Ordinance *№ 15 of 22 July 2019 on the status and professional development of teachers, directors and other pedagogical specialists*, https://lex.bg/bg/laws/ldoc/2137195301.

Box 2.7. Relevant international example: Monitoring and improving teachers' continuing professional development

Norway: Quality assurance under a decentralised in-service competence development model

In 2017, Norway introduced a new model for teachers' in-service competency development, emphasising the local analysis of training needs and collective forms of professional learning. National authorities provide financial support to teachers engaging in credit-giving further education on priority topics, as well as to local authorities organising collective in-service professional development. Under the new model, local "school owners" are responsible for identifying their teachers' professional development needs and drawing up professional learning plans in co-operation with local universities. These plans are then discussed at "collaboration forums" of stakeholder representatives (local universities, municipality associations, teacher representatives and local businesses) convened by governors at the county level. Once training priorities are agreed upon, county governors allocate the funding to local authorities. This decentralised scheme is complemented by a follow-up scheme, which provides state support and guidance to municipalities and county authorities that report weak results in key education and training areas. A third pillar of the model is an innovation scheme that brings together municipalities and research communities to develop and test learning interventions in line with evaluation and quality requirements defined by the state.

To evaluate and improve the effectiveness of the decentralised professional learning initiatives, the Norwegian Directorate for Education and Training has developed a set of five quality criteria to guide its discussions with providers and stakeholders: sustained duration; opportunities for active learning; coherence with teachers' knowledge; beliefs and education policies; opportunities for collaborative learning; and a focus on subject content and pedagogical content knowledge. In addition, county governors provide annual reports, and the directorate conducts surveys for school owners, school leaders and teachers to elicit information on their involvement in continuing professional learning. This information is complemented with data on students' learning outcomes and surveys on their learning experience, all of which schools can draw on to evaluate their teachers' professional learning needs. In addition, the directorate commissioned an external evaluation to assess the impact of the New Competence Development Model.

Source: OECD ***(2019[62])***, Improving *School Quality in Norway: The New Competence Development Model*, https://doi.org/10.1787/179d4ded-en.

Recommendations for monitoring and improving teachers' continuing professional development

Recommendations

1.6 **Align continuing professional development programmes more closely to teachers' training needs by improving the collection and use of appraisal, assessment and evaluation data in CPD planning**. MES should ensure that the priority areas for CPD in the National Programme for Qualifications are based on comprehensive and timely information about the learning needs of teachers. For this purpose, MES should systematically collect, synthesise and use aggregated findings on training needs from teacher appraisals, students' results from national external assessments and school results from external evaluations and information from classroom observations. CPD providers should then be required to develop their programmes around those priorities. Teachers and principals should also be supported to identify and communicate their training needs. To complement the current appraisal system, MES should consider introducing an annual, school-based formative appraisal to generate evidence on teachers' and principals' training needs. Results from these school-based assessments should then be used to link schools' annual professional development plans to teachers' and principals' learning needs.

1.7 **Strengthen the quality assurance of teachers' continuing professional development by expanding *ex ante* evaluation and introducing systematic *ex post* evaluation of the outcomes of CPD**. MES should ensure that all CPD programmes leading to teacher qualification credits are approved and registered in the IRAQP. The ministry should also introduce a data-driven, systematic approach to monitoring the quality of all registered CPD programmes over time. As a starting point, MES should make sure that CPD providers offering programmes that receive poor feedback in MES's new teacher feedback mechanism be inspected. MES should also introduce indicators to evaluate programmes' effectiveness. These could include outcome indicators (e.g. new knowledge and skills for teachers; improved quality of student-teacher interaction based on teachers' surveys and teacher appraisals) and process indicators (e.g. material, equipment, and facilities; number of training hours delivered). In the long term, the ministry should invest in capacity building to ensure all registered CPD providers are re-assessed on an ongoing basis based on the measured quality of their CPD offerings.

Opportunity 3: Making vocational and higher education more responsive to labour market needs

The need for responsive education is becoming more acute in Bulgaria, especially as the country faces a large population decline related to population ageing and high emigration rates. Moreover, megatrends such as globalisation, technological change and digitalisation are transforming workplaces and the skill requirements of jobs in the process, with the result that many jobs require different and/or higher levels of skills than in the past. Such developments highlight the need to ensure that vocational and higher education in Bulgaria is responsive to evolving labour market needs.

Bulgarian employers are concerned about increasing difficulties in finding workers with the right set of skills. Young people's learning and labour market outcomes suggest that education and training could be more responsive to labour market needs (see the section above on Bulgaria's performance in youth skills). Key Bulgarian education strategies prioritise responsive VET and higher education. They focus on, among other things, making initial vocational education a more attractive learning opportunity; providing flexible access to training and acquisition of qualification; and strengthening the co-operation between VET, higher education, social partners and government officials on curricula and programmes, practical training and career guidance to students.

Multiple factors may contribute to the limited responsiveness of Bulgaria's education system. Institutionalised co-operation between educational institutions and employers in VET exists at the national level but is not systematic at the local level. VET institutions have some mechanisms for engaging employers (e.g. the National Council for Tripartite Cooperation), but their role is mainly advisory, and they do not generate information on regional and local skills needs. Project participants highlighted that in both VET and higher education, social partners lack incentives and labour market information to be effectively involved in curriculum design and other types of co-operation with institutions. Work-based learning opportunities also remain insufficient for students in VET, especially outside big cities. As for higher education, the government has introduced financial and other measures to incentivise students to pursue qualifications in high demand in the labour market. However, there is evidence of mismatches between the supply and demand for graduates in certain fields, and some groups of youth remain under-represented in higher education. Addressing these challenges will require a comprehensive response, including strengthening the role of local stakeholders in VET and strengthening the capacity and incentives of higher education institutions to respond to labour market needs.

Strengthening the role of employers and local actors in vocational education and training

Many aspects of Bulgaria's VET system are highly centralised. In recent years, the Government of Bulgaria has sought to make VET more responsive to local labour market needs by increasing the autonomy of municipalities and regions in delivering VET and by increasing the participation of social partners. Municipalities have a growing role in setting staff salaries and maintaining VET institutions (e.g. equipment), for example. Each year, schools determine which VET programmes they will provide and how many applicants they will enrol. However, the majority of VET schools are state-controlled, and considerable decision making relevant to their day-to-day running is still being made at the national level. For example, MES and NAVET retain responsibility for updating VET curricula, while MES and the Ministry of Finance determine the amount of public funding available per student in VET.

The process for updating VET curricula is particularly centralised and bureaucratic. VET is offered only in professions and specialities included in the national LPVET. The list is developed and updated by NAVET and is approved by MES in consultation with the Minister of Labour and Social Policy, relevant sectoral ministers and representatives of employers and employees (OECD, 2019[63]). Each profession and specialty on the LPVET then needs to be translated into occupational standards that provide clear information on the necessary professional knowledge, skills and competencies for each profession. NAVET then uses occupational standards to develop state educational standards (setting national learning

goals for each subject at the end of each stage of schooling). Only then can VET curricula be designed or updated. MES develops the compulsory part of curricula at the national level in consultation with VET teachers and employers. Schools have the autonomy to decide on subjects of "extended training" in VET, but MES sets the hours for such training.

Centralised and bureaucratic decision making in VET limits the sector's ability to respond to labour market needs, especially at the local level. There are often delays in updating the LPVET because it is so resource-intensive. In addition, it can be hard for authorities to find social partners with the time and competencies to participate in the process of reviewing the list (OECD, 2019[63]; World Bank, 2022[27]). The standards associated with professions on the list are also developed without robust labour market information and skills anticipation tools (OECD, 2019[63]) (see Chapter 5).

While there are potential benefits to decentralising and simplifying decision making in VET, especially for updating curricula, this would need to come with capacity building at the subnational level. The monitoring and controlling tasks of MES and NAVET in the VET system likely limit their capacity to undertake other key tasks, such as updating curricula (OECD, 2019[63]). As such, there could be benefits in giving subnational authorities greater flexibility to develop curricula and/or adapt VET to local needs. However, schools already have the autonomy to design the elective part of the curriculum to reflect local labour market needs and student interests. Yet, project participants highlighted that some VET schools and municipalities currently lack the capacity and labour market information to adequately adapt VET to local needs. Schools' decisions regarding VET provision are often based on existing capacity, the availability of teachers and school infrastructure, rather than employers and labour market needs (OECD, 2019[63]). Building capacity at the local level would be a necessary part of efforts to increase the flexibility and responsiveness of VET.

Stakeholder engagement in the VET system is also highly centralised and formal. Bulgaria has a National Council for Tripartite Co-operation, a consultative body for labour, social insurance and living standard issues. It comprises senior government, trade union and employer representatives and discusses and gives advice on draft legislation related to vocational qualifications. It has become more involved in VET and can propose changes to the list of VET qualifications. Bulgaria also has a VET Consultative Council in place to advise on VET policy and implementation, bringing together representatives from trade unions, employers, universities, non-governmental organisations (NGOs), national and local government representatives and schools. NAVET is primarily responsible for co-ordinating formal and regulated co-operation between social partners and the government (Table 2.2).

However, stakeholder engagement in VET is not systematic or effective at the subnational level. Project participants stated that co-operation between local authorities, VET schools and employers at the subnational level is generally weak. Although skills needs vary significantly across regions in Bulgaria (OECD, 2019[63]), the VET system is not meeting these needs effectively. Social partners play a consulting role at the regional and local level, such as in the 28 District Development Councils. However, these formal subnational fora are not VET-specific (OECD, 2019[63]). Some municipalities lack resources and require additional support to engage in durable co-operation with social partners and VET schools (CEDEFOP, 2020[64]). Local actors often also lack adequate data and tools to help forecast the skills needed for local and regional economies (see Chapter 5). Bulgaria is introducing sectoral skills councils to improve stakeholder engagement in VET. Sectoral skills councils will analyse and forecast labour market needs at sectoral and regional levels, help update the LPVET and state educational standards and support partnerships between vocational schools and employers, among other things (see Chapter 5). Sectoral skills councils will strengthen stakeholder engagement in VET if implemented and resourced effectively. However, it is uncertain what the role of subnational actors will be in the councils and how the councils will help address local skills needs.

Bulgaria has also sought to involve employers in VET by prescribing work-based learning (WBL) and supporting apprenticeships in initial VET. WBL, including apprenticeships, complements the learning in the

classroom by enabling students to develop work-relevant technical and professional skills using up-to-date equipment and work practices, as well as transversal skills, such as teamwork, communication and negotiation (OECD, 2012[65]). High-quality WBL also allows VET graduates to find relevant employment more easily. In Bulgaria, practical learning is compulsory in every initial VET programme. Dual VET (apprenticeships), in particular, has been a focus of recent reforms by the Bulgarian government to increase WBL in initial VET. The PSEA introduced the dual training model, alternating between practical training in a real working environment and school-based learning. Apprentices start their in-company apprenticeship during Grade 11 and continue in Grade 12 (two days per week in-company placement in Grade 11 and three days per week in-company placement in Grade 12) (Hristova, 2020[66]). The Bulgaria 2030 strategy and recent national programmes include expanding dual training in VET as a priority.

However, relatively few VET students and employers in Bulgaria engage in WBL and apprenticeships. As such, Bulgaria is not realising the potential benefits of involving employers in VET, especially for making VET more responsive to skills needs. Currently, VET in Bulgaria is still mainly school-based. Although practical learning is compulsory, it often occurs in simulated rather than real workplaces. In Bulgaria, 56% of VET respondents[10] to an EU opinion survey on VET said their education took place entirely at school, compared to just over 40% of respondents across the European Union on average (Daskalova and Ivanova, 2018[23]). In the 2021/22 school year, around 10 000 students were enrolled in dual VET, representing just under 7% of all initial VET students (MES, 2022[67]). WBL opportunities are particularly limited for students in rural areas facing distance and transport limitations. Transportation for secondary VET students in these areas is subsidised at a maximum of 60%. Furthermore, fewer than 10% of Bulgarian enterprises are involved in providing WBL in VET (World Bank, 2022[27]). This is lower than in most EU countries (European Commission, 2019[68]; Hristova, 2020[66]).

The financial and non-financial costs of offering WBL and apprenticeships appear to be a barrier for many employers. Financial incentives to firms engaging apprentices, such as tax breaks or subsidies, can reduce cost barriers. However, they are most effective in conjunction with non-financial support (e.g. information and guidance) (OECD, 2022[69]). Non-financial measures can include capacity building for employers to make better use of apprentices and regulatory measures that legally require employers to hire apprentices (Kuczera, 2017[70]). Although the dual learning apprenticeship model involves a cost-sharing arrangement, the state budget only covers apprentices' health insurance contributions. Employers are obliged to pay apprentices' salaries and related social security contributions. They must also pay for training apprentice mentors in full or in part with schools, as the law requires one mentor for every five apprentices. Students' wage levels are fixed below workers' wages, but employers are also free to establish higher remuneration. Some VET schools struggle to find employers willing to hire apprentices, with a key reason being the lack of financial support for employers (European Commission, 2019[68]; Hristova, 2020[66]). Small- and medium-sized enterprises (SMEs), in particular, which account for around three-quarters of total employment in Bulgaria, likely lack the capacity to engage in WBL, including apprenticeships. A project initiated in 2020 and funded by the European Union – Support of Dual Learning System – aims to, among other things, offer support to train apprentice mentors in enterprises (e.g. assisting them to obtain relevant pedagogical and methodological skills) (MES, 2020[71]). In general, however, the expansion of dual VET is hindered by high implementation costs, among other factors (World Bank, 2022[27]), and will likely require greater financial and non-financial support for employers.

Bulgaria could potentially strengthen the role of employers and local actors in VET in a variety of ways. First, the country could strengthen the involvement of local employers and stakeholders in the development of VET by expanding their role and representation within the soon-to-be-established sectoral skills councils. This could build on Bulgaria's experiences with the Northwest Regional Board (Box 2.8) and Poland's Partnership for Lifelong Learning (Box 2.9). Second, Bulgaria could utilise its District Development Councils to support the link between local employers, authorities and schools, similar to what has been done in Denmark (Box 2.9). Third, the country could seek to help SMEs share the responsibility

and spread the costs of hiring apprentices, as is done by Switzerland's vocational training associations (Box 2.9). Finally, MES and the MLSP should consider directly subsidising the costs of apprenticeships for employers, following the example of Norway (Box 2.9).

Box 2.8. Relevant national example: Strengthening the role of employers and local actors in vocational education and training

Bulgaria: Improving the involvement and co-operation of local actors and social partners in initial VET provision, Northwest Regional Board "Education-Business"

The Northwest Regional Board "Education-Business" was established in 2020 as a public-private partnership between the Regional District Administrations of Montana, Vratza and Lovech and an NGO (Forum Foundation). It aims to be an innovative mechanism for co-ordination and co-operation between local authorities, social partners and businesses in the three neighbouring regions (districts) for formulating, implementing and monitoring regional VET policies. The board co-ordinators are the Regional Governor of Vratsa and the Institute for Research in Education.

The main goals of the board are:

- improving the effectiveness of cross-sectoral interaction in the field of VET in the involved districts
- improving the quality and labour market relevance of vocational education in the three districts.

The board priorities for 2020-25 include:

- initiating and supporting the update of municipal vocational education strategies, taking into account specific local needs and regional development plans
- identifying effective solutions for the optimisation of the network of vocational schools in the regions of Vratsa, Lovech and Montana, including the analysis of the school network and the need for its optimisation
- initiating and supporting the development of a model for co-operation between employers for joint participation in the system of dual training of students from local vocational schools
- creating a database of current research and analytical materials that can be of practical use to board members and the development of VET curricula and VET admission planning based on labour market information
- supporting the development and implementation of an effective career guidance system for students
- supporting the modernisation of the learning environment as an open space for learning
- creating shared learning spaces between schools, businesses and universities in the three regions/districts
- strengthening links between business and local vocational schools.

The board has been working on initiatives to strengthen the co-operation between employers and schools, especially when it comes to dual VET. This includes, for example, co-ordinating with SMEs to share funding for training staff to oversee apprentices. The national government could use the example of this local partnership and their activities and apply them across the country.

Source: BTA (2019[72]), *Northwestern regional board "Education - Business" will be created between the regions of Lovech, Vratsa and Montana,* www.bta.bg/bg/news/bulgaria/88413-Severozapaden-regionalen-bord-Obrazovanie-Biznes-shte-bade-sazdaden-mezhdu-o.

Box 2.9. Relevant international examples: Strengthening the role of employers and local actors in vocational education and training

Denmark: VET training committees

In Denmark, local training committees ensure that national-level bodies have a good overview of local circumstances and that local policy is aligned with national objectives. These committees gather information on local skills needs and the corresponding training opportunities provided and share it with national bodies, which in turn use these data to set the overall direction of vocational education in Denmark. Each vocational college (providing school-based education and training) works with at least one local training committee. The local committees include representatives from the vocational college (students, staff and management), local employers and employees. These bodies also play an important role in co-ordinating VET policy at the local level. Representation from local businesses enables the committees to co-ordinate workplace training: finding and approving relevant internships and assisting in resolving disputes between students and work placement providers. The committees also help determine what subjects should be taught and play a key role in shaping the course curriculum.

Poland: Regional sectoral councils

In Poland, in the Małopolska region, the Partnership for Lifelong Learning provides a platform for co-operation between education institutions and associations of employers so that they can exchange information to ensure that the school offering in terms of subject mix and curriculum is consistent with labour market needs in the region. However, the scope of the partnership is much broader as it covers the whole of the lifelong learning spectrum (from schools to training providers). The region has also established regional sectoral councils in seven sectors in collaboration with the Department of Education in the voivodeship (regional) marshal's office. The councils are composed of representatives of VET schools and centres for adult learning, as well as local employers and business associations. The councils allow local employers to communicate information on skills needs in specific sectors, enabling VET teachers in related subjects to provide good quality vocational qualifications linked to labour market needs.

Switzerland: Financial and non-financial support for work-based learning

In Switzerland, the government established vocational training associations (*Lehrbetriebsverbünde*) through the 2004 Act on VET. These are associations of two or more training firms that share apprentices, whose training is organised across several firms on a rotating basis. The aim is to enable the engagement of firms that lack the capacity and resources to provide the full training of an apprentice and to lower the financial and administrative burden on individual firms. Switzerland subsidises the associations with initial funding during the first three years for marketing, administrative and other costs necessary to set up the joint training programme. After this initial support, the training associations are supposed to be financially independent. An evaluation (Resultate Evaluation Lehrbetriebsverbünde, OPET, Bern) found that the majority of firms participating in training associations would not have engaged in training otherwise.

Norway: Financial and non-financial support for work-based learning

Like several other OECD countries, Norway offers a range of financial incentives and non-financial support for employers to offer WBL in the form of apprenticeships. Some of this support is tailored to SMEs. For example, the country offers a direct subsidy per apprentice (around EUR 14 8006 for two years of work placement with the company) depending on apprentice characteristics (such as age, disability, school performance, migration status, gender, previous education) and sector characteristics.

Moreover, training companies can also brand themselves with a label for "approved learning enterprise" to encourage consumers to buy goods and services from them and so that more enterprises join the apprenticeship scheme. The Norwegian government has also introduced rules for apprenticeship requirements in public procurement. For contracts worth a minimum of NOK 1.5 million (Norwegian krone), the government must buy goods and services from companies that are approved apprenticeship providers. These regulations mainly apply to the building, construction and ICT sectors and seek to ensure that every VET student in search of an apprenticeship finds one.

Source: OECD (2019[73]), *OECD Skills Strategy Poland: Assessment and Recommendations*, https://doi.org/10.1787/b377fbcc-en; European Commission (2013[74]), *Work-based Learning in Europe: Practices and Policy Pointers*, http://ec.europa.eu/dgs/education_culture/repository/education/policy/vocational-policy/doc/alliance/work-based-learning-in-europe_en.pdf; Kuczera, Kis and Wurzburg (2009[75]), *OECD Reviews of Vocational Education and Training: A Learning for Jobs Review of Korea 2009*, https://doi.org/10.1787/9789264113879-en; Kuczera (2017[76]), "Striking the right balance: Costs and benefits of apprenticeship", https://doi.org/10.1787/995fff01-en; Kuczera and Jeon (2019[77]), *Vocational Education and Training in Sweden,* https://doi.org/10.1787/g2g9fac5-en.

Recommendations on strengthening the role of employers and local actors in vocational education and training

Recommendations

1.8 **Involve subnational vocational education and training stakeholders in the new sectoral skills councils and create fora for subnational stakeholders to discuss and improve the responsiveness of VET**. The Bulgarian government should ensure that its sectoral skills councils, which will be established in 2023, include representatives from the subnational level. This could be in the form of dedicated members or committees representing particular geographical regions. In parallel, Bulgaria should utilise District Development Councils to strengthen districts' input to initial VET provision, including on designing and updating the initial VET curriculum. The government should consider creating skills or VET committees under District Development Councils and including VET stakeholders in these bodies. These committees should provide VET-relevant insights to the central government, sectoral skills councils and local VET schools, including about local skills needs. Finally, each of these bodies should seek to support schools and employers to expand WBL and apprenticeships in initial VET (see Recommendation 1.9).

1.9 **The MES and the Ministry of Labour and Social Policy should co-operate to improve financial and non-financial support to enterprises and students to engage in work-based learning**. Bulgaria should encourage and support businesses, especially SMEs, to provide work-based learning opportunities to VET students. This could be done by providing apprentice wage subsidies and subsidising student mentors' training. The government should also offer incentives to set up training associations to share the costs of organising apprenticeships among groups of SMEs. In addition, the sectoral skills councils and any new subnational VET fora (see Recommendation 1.8) should have responsibility for supporting employers and schools to expand WBL in VET. They could do this, for example, by helping to establish partnerships between schools and employers and informing enterprises about government incentives for apprenticeships. Finally, government and municipalities should increase subsidised transportation for secondary VET students to attend school and WBL.

Increasing the relevance of higher education to labour market needs

Project participants expressed concerns about the relevance of higher education to labour market needs in Bulgaria. For example, the latest draft of the higher education assessment carried out by MES in 2021 shows imbalances between the demand and supply of education. Only 53% of all university places at the national level are filled, and in 29 professional fields, student enrolment is less than half of the places available (European Commission, 2021[53]). The least attractive programmes – based on the number of enrolments – include several areas considered priorities at the national level, such as those in STEM (World Bank, 2022[29]). The Strategy for the Development of Higher Education (2021-2030) also identifies a mismatch between the knowledge and skills required by the labour market and those provided in higher education as a challenge. The country faces difficulties in steering youth into higher education fields that develop skills in high demand in the labour market (e.g. engineering, technical education or middle management). On the other hand, programmes associated with occupations for which demand is low (including lawyers, psychologists, social and political scientists and others) tend to attract an overabundance of applicants.

Bulgaria's system for determining the number of state-funded places in higher education takes into account the fields facing skills shortages or that are of strategic importance for the country, among other factors. Each year, the Council of Ministers determines the number of available places in higher education institutions and approves the update of the National Map of Higher Education in the Republic of Bulgaria, as recommended by MES. The map provides decision-makers with a range of information to help them determine the number of higher education places by region, institution, professional field and speciality to meet socio-economic development goals and the needs of the labour market. For example, for a given region, the map provides information about the current number of universities, professional areas offered, the number of professors and students by professional area and specialty, how many state-funded places are unfilled, etc. In addition, MES proposes to the Council of Ministers a list of priority professional fields and protected specialities based on labour market information collected by MES and the MLSP. The current list adopted in 2021 defines 8 professional fields (religion and theology; mathematics; physical sciences; chemical sciences; chemical technologies; energy; materials and materials science) and 18 protected specialities with the highest expected future shortage in the labour market. In these fields and specialities, institutions are authorised to accept a higher number of students; the state provides additional funding per student; tuition fees can be lowered or removed; and students can receive scholarships (Eurydice, 2022[78]; World Bank, 2022[29]). However, Bulgaria's capacity to define labour market demand for skills and professions in the map is limited by the quality of existing skills assessment and anticipation activities (see Chapter 5).

The subsidy rate for individual higher education programmes also takes into account the fields facing skills shortages or are of strategic importance for the country, but to a limited extent. In addition to a basic rate per student, the state subsidy for higher education is based on differentiated rates for each professional field, as well as an assessment of the quality and labour market relevance of programmes. MES undertakes a "complex assessment" of the quality of education and labour market relevance based on the Bulgarian University Ranking System (BURS), which publishes information about the characteristics and quality of higher education institutions and labour market information associated with different courses (Box 2.10). The complex assessment utilises a formula containing: indicators on the educational process (institutional and programme accreditation, the exclusiveness of academic staff); research (citations in Scopus and Web of Science, PhD programmes); and labour market relevance (insurable earnings, unemployment rate, contribution to the social insurance system, etc.). The higher an institution and programme score in this complex assessment, the higher the state subsidy for a programme. However, because labour market relevance is only one of many factors used in funding determination, it has a relatively limited impact on institutions' overall funding.

Box 2.10. Relevant national example: Increasing the relevance of higher education to labour market needs

Bulgaria: The Bulgarian University Ranking System (BURS)

BURS is one of the main tools the Bulgarian government uses to decide on policies regarding the admission and financing of higher education institutions. Its creation, however, focused on developing a system to guide and support student candidates in choosing among the diverse range of programmes and higher education institutions available to them within the country.

BURS and its web portal were created in 2010 under the project, Development of a Ranking System for the Higher Education Institutions in the Republic of Bulgaria, co-financed by the European Union through the European Structural and Investment Funds. The web portal has been recently updated with information for 2021 by the OSI-S Consortium – the Open Society Institute Sofia and Sirma Solutions – under a public procurement contract.

The web portal is a publicly open source of information that allows users to compare and rank universities by professional field (e.g. biological sciences, administration and management, etc.) based on pre-defined indicators. These indicators are divided into six different categories that measure the quality of the: teaching and learning process; science and research; teaching and learning environment; welfare and administrative services; prestige and regional importance of the universities; as well as graduates' career realisation in the labour market. Under this last category, the *applicability of degree acquired and realisation by vocation* measures the share of higher education institution graduates appointed to positions requiring university degrees. Although it is relevant information, the indicator is limited and does not measure whether the skills and competencies developed by students in their chosen field of study are used in their jobs.

The sources of statistical information used by BURS include, for example, information from the National Evaluation and Accreditation Agency, the National Social Security Institute, as well as the international bibliographical databases, Scopus and Web of Science. The system also builds its indicators based on their own surveys conducted with students and employers, for example.

Student surveys focus on the student experience regarding their university programmes (i.e. based on students' subjective assessment of the quality of theoretical knowledge and practical training offered). These surveys are usually carried out every four years.

Employer surveys aim to assess employer satisfaction with employees who graduated within five years before the interviews. Although employer surveys are more frequently run than student surveys, they constitute the only source of information regarding programmes' relevance to the labour market.

BURS compares the performance of 52 higher education institutions within 52 professional fields. The purpose of BURS is to assist prospective students in making informed choices and navigating the different programmes offered by higher education institutions in Bulgaria. However, according to a survey among university rectors, one-third of respondents mentioned they believed that students are still not familiar enough with BURS and do not use it to plan their careers.

Source: MES (2022[79]), *Bulgarian University Ranking System*, https://rsvu.mon.bg/rsvu4/#/methodology; World Bank (2022[29]), *Bulgaria Higher Education: Situation Analysis and Policy Direction Recommendations*, http://sf.mon.bg/?h=downloadFile&fileId=2768; Open Society Institute Sofia (n.d.[80]), *University Ranking*, https://osis.bg/?p=2482&lang=en.

Bulgaria has made efforts to improve information on the responsiveness of higher education providers and programmes to labour market needs so as to direct places, funding and student choices. BURS seeks to guide prospective students in their academic choices. MES also uses it to allocate public funding to universities to incentivise research and, to a lesser extent, improve graduates' employment outcomes, as described above. Furthermore, MES has recently announced an agreement with the European Commission on the Eurograduate project, which aims to create a European-wide graduate survey (MES, 2022[81]). Bulgaria was approved for participation in the project's second phase and, based on the results, is expected to establish a national tracking system for higher education graduates in the country.

However, tracking student outcomes remains limited, and the success of planned programmes will depend on their precise design and successful implementation. Currently, no component of BURS tracks students' outcomes regarding, for example, the time between graduation and first employment or the relevance of acquired skills to the workplace (European Commission, 2020[82]). There is also no longitudinal data provided on graduates (e.g. to better understand and compare short-term and mid-term transitions from higher education to the labour market). Furthermore, it is still unclear if and how Bulgaria's participation in the Eurograduate project will lead to lasting improvements with BURS. In order to support higher education institutions in responding to labour market needs, MES could compile information already available under the BURS system with the results from the upcoming national graduates' tracking survey and make this available to higher education institutions.

Career guidance for higher education students could be expanded further and enriched with better labour market information. Currently, 49 out of 52 higher education institutions in Bulgaria have career guidance centres, and students can utilise regional career guidance centres. Among other roles, the guidance centres provide students with job information, assist in developing CVs, support interview preparation, etc. They also support students and employers in developing internship agreements, for example. However, project participants mentioned the need to improve guidance to students to access and navigate information on labour market needs and available professions. Indeed, there is insufficient labour market information to guide students (Fair Guidance Project, 2015[83]), including via career guides.

In addition, youth from disadvantaged backgrounds have relatively limited access to and success in higher education in Bulgaria. This inhibits the capacity of higher education institutions to meet labour market demand for tertiary-educated workers, including in areas of skills shortages. Students from poor socio-economic backgrounds are very under-represented in higher education (World Bank, 2022[29]). This is especially concerning given the overall decrease in students entering higher education due to Bulgaria's declining population trends (see the section on Responsiveness and graduate outcomes). In Bulgaria, passing the State Matura examination is required to access higher education. Students from disadvantaged backgrounds are more likely to have poor grades and are less likely to enter their chosen and/or more competitive programmes (World Bank, 2022[29]). Improving the access of socio-economically disadvantaged populations to higher education can help address shortages for graduates generally and lead to a more highly skilled workforce, contributing to the relevance of higher education to the labour market and increasing the competitiveness of the Bulgarian economy. On the positive side, one of the most recent measures implemented to support vulnerable individuals' access to higher education has been the provision of scholarships to students in public higher education institutions at BGN 150 per month in 2020 (World Bank, 2022[29]).

Even when admitted to higher education, students from disadvantaged backgrounds are often less equipped to succeed than their more advantaged peers. MES should ensure students are offered guidance and academic support to address possible disadvantages derived from low quality in pre-university education that may affect students from vulnerable backgrounds the most. Bulgaria could strengthen the incentives to support disadvantaged students to enter and remain in higher education by providing support beyond financial aid. For example, the country could introduce state-funded programmes for targeted

remedial classes for students during their higher education courses and consider stepping up study guidance for prospective students.

Other challenges limit the responsiveness of higher education to labour market needs, such as capacity constraints within universities. According to the National Evaluation and Accreditation Agency (NEAA), higher education institutions struggle with collecting information regarding graduate outcomes (NEAA, 2016[84]), which would allow them to better assess the quality and relevance of their programmes and update curriculum content, for example. Limited labour market information, the lack of incentives and limited higher education institutions' capacity to analyse the available information make it hard for programmes to respond to changing needs in the labour market. Challenged by a lack of resources and a common methodology, higher education institutions seem to rely on alumni associations and faculty-specific links with employers to gather information on graduates' outcomes (NEAA, 2016[84]). The data collected remain largely unused to align programmes with labour market needs.

Bulgaria could improve and better utilise information and financing to make higher education more responsive to labour market needs. It should utilise the data under its BURS system and its future national graduate tracer survey results to further assess higher education responsiveness to labour market needs. This improved information could be used to strengthen performance-based funding in higher education, whereby a share of institutions' funding is dependent on the labour market outcomes of their graduates.

Bulgaria should also work to improve access to labour market information and higher education institutions' capacity to use this information to update and review their programmes. Austria's ATRACK graduate tracking project can serve as a helpful model (Box 2.11) in this regard. The relevance of higher education institutions to students and labour market needs can also be strengthened if Bulgaria improves the types of guidance and support for its students, especially for groups with limited access to higher education, with measures taken to increase their chances of accessing and completing education. Australia's Higher Education Participation and Partnerships Program may inspire Bulgaria (Box 2.11).

Box 2.11. Relevant international example: Increasing the relevance of higher education to labour market needs

Austria: ATRACK graduate tracking project

The Absolvent:innen-Tracking (ATRACK) project was a register-based survey of the labour market integration of Austrian university graduates, drawing on student data, social insurance data, educational attainment registers and the central civil register. It was developed by Austria's public universities and published by Statistics Austria and the University of Vienna. The project ran initially from 2017 to 2021 and has highlighted the importance of Austria's participation in EU-wide graduate tracking initiatives.

The ATRACK project gave universities access to comparative information on the careers of their graduates, such as the duration between graduating and starting their first occupation, employment status, labour market integration, income and the economic sector in which they work. The results of this graduate tracking initiative are used, among other reasons, to inform steering decisions by university bodies, for the evaluation and further development of study programmes, to guide the study choices of prospective students and to provide career guidance for students and graduates. One of the main innovations of this project is that each university receives a factsheet divided by university degree programme, academic degree (ISCED Levels 6-8) and a broader field of study (ISCED F 2013 fields of education). In addition, the factsheet presents diagrams for selected results in the following areas: 1) labour market status; 2) time period until first employment; 3) top-five sectors; and 4) gross monthly income for full-time employees.

Australia: Higher Education Participation and Partnerships Program (HEPPP)

Australia's HEPPP was established in 2010 (and is still running) and funds universities to "undertake activities and implement strategies that improve access to undergraduate courses for people from low socio-economic status backgrounds and improve their retention and completion rates". In this way, it directly assists universities in increasing the enrolment and completion number of students from low socio-economic backgrounds in higher education. HEPPP's key objective is to promote equality of opportunity in higher education by improving the following:

- outreach to widen aspiration and promote higher education to persons from low socio-economic backgrounds, persons from regional areas and remote areas, and Indigenous persons
- the extent to which persons from a low socio-economic background, persons from regional and remote areas, and Indigenous persons access, participate, remain and succeed in higher education and obtain higher education awards.

In terms of the distribution of HEPPP funds, from 2021, grants started to be made to eligible higher education providers each calendar year based on the provider's respective share of domestic undergraduate students from a low socio-economic background, students from regional areas and remote areas and Indigenous students. Before, only the share of students coming from low socio-economic backgrounds were considered in the funding scheme.

According to the most recent evaluation of the HEPPP (from 2016), around 2 679 projects were implemented at the 37 HEPPP universities between 2010 and 2015, with the participation of over 310 000 students. More than 40% of projects and expenditures have been targeted at directly assisting students from low socio-economic status to engage with and progress through university. In addition, around 40% of projects have worked with external partners, usually schools, to increase students' applications to offers from and commencements at university. The remaining 60% of HEPPP activities were developed around pathways to university, the admissions process and transitioning out of university. The most common activities undertaken through the HEPPP have been academic preparation and support, mentoring, peer support and first-year transition support.

Source: Austria Statistics (2022[85]), *HRSM-Project "Graduate tracking": project report*, www.statistik.at/fileadmin/pages/326/ATRACK_Projektbericht_2022-05-02_DE.pdf; Australian Government, Department of Education (2022[86]), *Higher Education Participation and Partnerships Program (HEPPP)*, www.education.gov.au/heppp; ACIL Allen Consulting (2017[87]), *Evaluation of the Higher Education Participation and Partnerships Program*, www.education.gov.au/heppp/resources/heppp-evaluation-final-report.

Recommendations on increasing the relevance of higher education to labour market needs

Recommendations

1.10 **Strengthen higher education institutions' institutional capacity and incentives to use labour market information and align their educational offers to labour market needs**. The data collected under the planned national graduate survey should be combined with relevant information from BURS and made available to higher education institutions in an accessible and user-friendly way. The most important indicators should be presented annually to higher education institutions, for example, in the form of automatically generated factsheets. Authorities and higher education institutions should discuss and agree on the most useful data to include in such factsheets. At a minimum, they should include graduate labour market

outcomes (employment status, field of study (mis-)match, under-/over-qualification, etc.) by degree programme and level of study. MES should also adjust public higher education funding settings to increase completions in fields facing shortages and/or being of strategic importance. When determining the number of state-subsidised places by field and region, MES should utilise information from the planned national graduate survey and the improved skills assessment and anticipation activities proposed in Chapter 5. MES should also make greater use of performance-based funding in higher education by increasing the share of institutions' funding based on the employment outcomes of their graduates.

1.11 **Continue to provide financial aid and expand non-financial measures to support students from disadvantaged backgrounds in higher education, especially in programmes meeting priority skills needs**. In the context of declining higher education enrolments, persistent skills imbalances, and unequal access to higher education, MES should continue to provide financial incentives to disadvantaged students (e.g. scholarships) to access higher education. In addition, MES should incentivise higher education institutions to implement non-financial support for disadvantaged students to succeed in university programmes. This should include earmarked and/or performance-based funding to public higher education institutions to identify and support students at risk of attrition, for example, through mentoring and counselling, bridging courses (e.g. in mathematics or literacy) and other tailored interventions. The ministry should prioritise such financial support for institutions offering programmes that meet critical skills needs in the labour market.

Summary of policy recommendations

Policy directions	High-level policy recommendations
Opportunity 1: Ensuring that curriculum reform and assessment practices improve students' skills	
Building awareness and capacity for curriculum implementation	1.1 Increase education stakeholders buy-in to the vision for curriculum reform, and develop a detailed action plan with these stakeholders to facilitate implementation. 1.2 Reinforce the capacity of regional education departments to provide methodological support to teachers in implementing the competency-based curriculum.
Aligning external assessments with the competency-based curriculum	1.3 Strengthen the national external assessment system by accelerating efforts to align it with the competency-based curriculum.
Opportunity 2: Developing a highly skilled teaching workforce	
Selecting and preparing high-quality teaching candidates	1.4 Introduce a more selective and comprehensive admission system for initial teacher education to ensure the suitability and quality of teaching candidates. 1.5 Improve the quality and relevance of initial teacher education by aligning it more closely with classroom practice, including by expanding and supporting teaching practicum.
Monitoring and improving teachers' continuing professional development	1.6 Align continuing professional development programmes more closely to teachers' training needs by improving the collection and use of appraisal, assessment and evaluation data in CPD planning. 1.7 Strengthen the quality assurance of teachers' continuing professional development by expanding *ex ante* evaluation and introducing systematic *ex post* evaluation of the outcomes of CPD.
Opportunity 3: Making vocational and higher education more responsive to labour market needs	
Strengthening the role of employers and local actors in vocational education and training	1.8 Involve subnational vocational education and training stakeholders in the new sectoral skills councils and create fora for subnational stakeholders to discuss and improve the responsiveness of VET. 1.9 MES and the Ministry of Labour and Social Policy should co-operate to improve financial and non-financial support to enterprises and students to engage in work-based learning.
Increasing the relevance of higher education to labour market needs	1.10 Strengthen higher education institutions' institutional capacity and incentives to use labour market information and align their educational offers to labour market needs. 1.11 Continue to provide financial aid and expand non-financial measures to support students from disadvantaged backgrounds in higher education, especially in programmes meeting priority skills needs.

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Notes

1. Since April 2022, tuition fees for public nurseries and kindergartens have been abolished for all children.

2. The isolation index provides an indication of whether school systems create "clusters" of students based on their academic performance. Higher values in the indices mean that low achievers are more often isolated in certain schools with students of similar ability; lower values in the indices correspond to a more varied distribution of student abilities within schools (OECD, 2019[25]).

3. There were 61 participants in the PIRLS 2016 assessments, including 50 countries and 11 benchmarking entities.

4. TIMSS 2019 was conducted at Grades 4 and 8 in 64 countries and 8 benchmarking systems.

5. Some 600 000 students completed the PISA assessment in 2018, representing about 32 million 15-year-olds in the schools of the 79 participating countries and economies.

6. Socio-economically advantaged (disadvantaged) students are students in the top (bottom) quarter of PISA's index of economic, social and cultural status (ESCS) in their own country/economy.

7 Concurrent ITE programmes are dedicated to teaching profession from their start, with general academic subjects provided alongside professional subjects. As for consecutive models, they cover programmes where students, who have undertaken higher education in particular fields, move on to professional teacher training in a separate successive phase (European Commission/EACEA/Eurydice, 2021[57]).

8. Through the framework of the Bologna process and European co-operation programmes, such as Erasmus+, European education systems have developed ECTS as a key instrument for transparent curriculum design as well as to facilitate credit transfer between programmes and institutions. It enables the learning outcomes and workload of ITE programmes to be expressed in study credits (European Commission/EACEA/Eurydice, 2021[57]).

9. One credit is awarded for 16 academic hours of CPD, 8 of which are in the classroom. This credit system guarantees opportunities for the accumulation, recognition and transfer of credits in formal CPD.

10. The survey covers the 28 member states of the European Union, with 35 646 respondents from different social and demographic groups, aged 15 and over. The survey was carried out on behalf of CEDEFOP by Kantar Public on 1-29 June 2016.

3 Improving adult skills in Bulgaria

Participation in adult learning has important benefits for individuals, employers and society. Across countries, there is a growing need to upskill and reskill in adulthood in the context of technological change, more frequent transitions between jobs, the lengthening of working lives, and global shocks such as the COVID-19 pandemic. This chapter explains the importance of raising participation in adult learning in Bulgaria and improving adult skills and how doing so can contribute to Bulgaria's economy and society. It also describes current policies and practices to improve adult skills in Bulgaria. It then explores three opportunities to improve adult skills in Bulgaria: 1) increasing motivation among adults and employers to participate in adult learning; 2) making education and training more flexible and accessible for adults and employers; and 3) improving the quality and relevance of adult education and training for adults and employers.

The importance of improving adult skills

Improving adult skills is increasingly important in Bulgaria. Worldwide, automation, demographic changes, climate change and global economic shocks, such as the coronavirus (COVID-19) pandemic, are increasing the need for individuals to upskill and reskill in order to effectively participate in work and society. With Bulgaria's relatively low levels of skills, declining population and high migration rates, as well as forecasts of increased demand for high skills and decreased demand for low skills in Bulgaria in the coming decade, it is increasingly important to equip the population with the skills needed to perform new tasks in their existing jobs or new skills for future jobs. Upskilling and reskilling can be pursued through formal and non-formal adult education and training, as well as informal learning (Box 3.1).

Box 3.1. Definitions of formal and non-formal education and training and informal learning

Formal education and training: Formal education/training is provided in schools, colleges, universities or other educational institutions and leads to a certification recognised by the national educational classification.

Non-formal education and training: Non-formal education/training is defined as an education or training activity that does not necessarily lead to a formal qualification, such as on-the-job training, open or distance education, courses or private lessons, and seminars or workshops.

Informal learning: Informal learning relates to typically unstructured, often unintentional, learning activities that do not lead to certification. In the workplace, this is more or less an automatic by-product of the regular production process of a firm.

Source: OECD (2011[1]), *PIAAC Conceptual Framework of the Background Questionnaire Main Survey*, www.oecd.org/skills/piaac/PIAAC(2011_11)MS_BQ_ConceptualFramework_1%20Dec%202011.pdf.

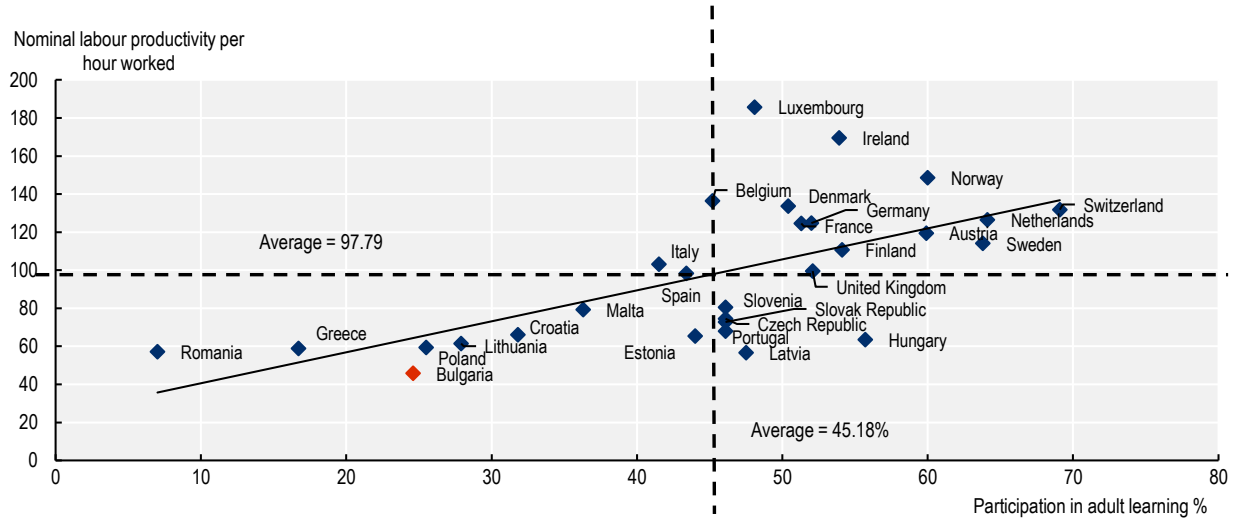
There are many benefits to participating in adult learning for individuals, employers, and society. Individuals may enjoy better employment prospects, higher wages and upward social and/or occupational mobility (Midtsundstad, 2019[2]). At the same time, ongoing training for employees leads to higher productivity growth for enterprises and spurs innovation (Acemoglu, 1998[3]; Dearden et al., 2006[4]; Konings and Vanormelingen, 2015[5]). The social benefits of participation in adult learning include better health, feeling more included in political processes and having greater trust in others (OECD, 2016[6]).

Improving adult skills has already been identified as a primary objective in a number of national strategies in Bulgaria, most notably in the Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria (2021-2030). Adult education and training also feature prominently in the Employment Strategy of the Republic of Bulgaria (2021-2030), the Strategy for the Development of Vocational Education and Training in the Republic of Bulgaria (2015-2020), and the Operational Programme for Human Resource Development (2014-2020) (OPHRD), as well as the draft of the latter for 2021-2027. Including adult skills and learning in upcoming relevant strategies, including the National Skills Strategy for Bulgaria, will be important.

Strengthening adult skills can benefit Bulgaria in both the short and long terms. As seen in Figure 3.1, participation in adult education and training in Bulgaria and the country's labour productivity are quite low. In the short term, improving adult skills through ongoing education and training can help to address the skills shortages in many sectors. It can also help Bulgaria recover from the economic shocks of the COVID-19 crisis and Russia's war of aggression against Ukraine, both of which have slowed the growth of the Bulgarian economy (OECD, 2022[7]). In the long term, improving adult education and training, and subsequently, adult skills can help Bulgaria prepare for shifting skills demands and improve labour productivity, boosting the Bulgarian economy.

Figure 3.1. Participation in adult education and training and labour productivity, 2016

Percentage of adults aged 25-64 who participated in formal and/or non-formal education and training opportunities in the past 12 months, measured against nominal labour productivity per hour worked



Note: All data are for 2016. Labour productivity per hour worked is calculated as real output per unit of labour input (measured by the total number of hours worked). European Union (EU) average (excluding the United Kingdom) is the base = 100. The unit of measure is the percentage of the EU total based on million purchasing power standards (PPS). PPS is a common currency that eliminates the differences in price levels between countries.

Source: OECD calculations based on Eurostat (2016[8]), *Adult Education Survey 2016: Participation rate in education and training by age*, https://ec.europa.eu/eurostat/databrowser/view/trng_aes_101/default/table?lang=en; Eurostat (2021[9]), *Labour productivity per person employed and hour worked*, https://ec.europa.eu/eurostat/databrowser/view/tesem160/default/table?lang=en.

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This chapter explores opportunities to raise the skill levels of employed adults (aged 25-64) in Bulgaria by improving and promoting lifelong learning opportunities. The analysis assesses Bulgaria's current policies to develop adult skills and discusses policy interventions that target both the supply and demand for adult education and training activities. The chapter touches on a number of issues that will be explored in greater detail in other chapters and are referenced accordingly. Education and training (including for adults) related to the dual vocational education and training (VET) system is discussed in greater depth in Chapter 2. Adult education and training, as it relates specifically to the unemployed, is covered primarily in Chapter 4. Finally, data collection on education and training outcomes, which features in this chapter as it relates specifically to employed adult learners, is discussed on the system level in Chapter 5.

Overview and performance

Bulgaria's current adult learning system is driven by a number of major strategies and policies, involves a range of government and non-governmental stakeholders, and is offered by numerous education and training providers. The many strategies and actors concerned with adult education and training demonstrates that improving adult skills through participation in quality education and training is an important policy objective in Bulgaria. Nonetheless, an assessment of Bulgaria's current performance shows that Bulgaria lags behind other EU countries in promoting adult education and training; there is a distance to go to realise this policy objective.

Overview of Bulgaria's current adult learning system

Relevant strategies and policies for improving adult skills

The legal basis for Bulgaria's adult learning system is found in a number of normative acts: the Employment Promotion Act, the Pre-school and School Education Act, the Vocational Education and Training Act (VETA), and the national qualification framework (European Commission, 2017[10]). The topic of lifelong learning is also present in other legal documents, including the Labour Code, the Employment Promotion Act, the Higher Education Act, the Law on Recognition of Professional Qualifications, the Skilled Crafts Act, and the Community Culture Centres Act (European Commission, 2017[10]; Eurydice, 2022[11]; World Bank, 2021[12]). In addition, adult education and training is present in a number of national strategies, as shown in Table 3.1. These include strategies related to employment, education, demographic changes, and larger economic and development objectives.

Table 3.1. Bulgaria's main strategies and programmes related to improving adult skills

Strategy/policy	Description	Specific objectives related to adult education and training
Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria (2021-2030)	Bulgaria's most recent national strategy for learning over the life course, following two previous strategies: the first National Strategy for Lifelong Learning was adopted for 2008-13, and the second for 2014-20. Priority 8 of the Strategic Framework focuses on lifelong learning.	• Update and effectively implement a national qualification framework for lifelong learning • Improve mechanisms for the validation of non-formal or informal learning • Provide systematic career guidance to students and adults • Promote lifelong learning among all segments of the population • Provide access to open educational resources for lifelong learning for all • Involve pedagogical professionals in qualification courses to master teaching techniques for youth and adults in formal and non-formal education and training • Develop a methodology for quality assurance in adult education and training • Expand the range of learning opportunities by promoting formal education, non-formal learning and informal learning and motivating individuals • Raise awareness among stakeholders of the opportunities offered by lifelong learning • Create attractive and flexible opportunities for the acquisition of skills
National Strategy for Lifelong Learning (2014-2020)	Bulgaria's previous National Strategy for Lifelong Learning.	• Increase the participation of 25-64 year-olds in education and training in the past four weeks from 1.5% in 2012 to over 5% in 2020 (this goal was not met) • Establish a National Council for Lifelong Learning to implement the National Strategy for Lifelong Learning (this council was never established in practice)
Employment Strategy of the Republic of Bulgaria (2021-2030)	The strategy laying out Bulgaria's commitments in the field of employment, deriving from the need to implement the Action Plan of the European Pillar of Social Rights.	• Create a unified digital platform for online adult education, including training for unemployed and employed persons to acquire professional qualifications and key competencies • Develop a mechanism for public funding of the external evaluation of the results of professional qualification training • Update qualification standards and VET curricula to improve the quality of the education process and ensure compliance of the acquired skills with the needs of successful employment and active citizenship • Implement a new model for monitoring the quality of the vocational training provided by VET centres for adults • Increase the share of persons aged 25-64 participating in training in the previous 12 months to 35.4% a year
National Employment Action Plans	Plans that are elaborated and adopted annually to maintain labour market stability and ensure opportunities for acquiring and upgrading the vocational qualifications and skills of the labour force as well as the employment of disadvantaged groups in line with the National Employment Strategy (2021-2030).	• Fund training, especially to raise digital skills, but also in the areas of key competencies for the labour market • Fund training oriented to the reskilling and upskilling of the unemployed, especially for vulnerable groups • Provide support to employers for the organisation of training in areas in which they face a shortage of workers with needed skills, especially for small- and medium-sized enterprises (SMEs) • Create a single virtual platform for adult learning for the acquisition of vocational qualifications and key competencies • Modernise the activities of the National Agency for Vocational Education and Training (NAVET) in order to provide better quality vocational training services by building a more effective monitoring system

Strategy/policy	Description	Specific objectives related to adult education and training
The Strategy for the Development of Vocational Education and Training in the Republic of Bulgaria (2015-2020)	The main document defining the development of the VET system in Bulgaria.	• Expand the application of the modular organisation of VET • Fine-tune the VET quality management system • Develop a system for updating and supplementing vocational teachers' and trainers' qualifications • Provide easily accessible and high-quality career guidance services • Establish a system for the validation of knowledge, skills and competencies acquired through non-formal and informal learning • Enhance adults' enrolment in trainings for the acquisition of professional qualifications and key competencies • Boost social partners' involvement in the VET system
The National Strategy for Promotion and Improvement of Literacy Skills (2014-2020)	A strategy to increase the quality, affordability and accessibility of literacy courses and to make functional literacy a national priority.	• Increase literacy, with particular attention to vulnerable groups • Organise information campaigns about literacy for adults • Provide literacy training through innovative methods for adults • Strengthen the validation of non-formal training
Operational Programme for Human Resource Development (OPHRD) (2014-2020)	The OPHRD 2014-2020 is a national programme aimed at improving the quality and rate of employment, reducing poverty, promoting social inclusion and modernising public policies.	• Increase the number of employed persons above 54 years of age with acquired and/or improved professional qualifications and/or key competencies • Increase the number of employed persons with secondary or lower levels of education who have acquired new knowledge and skills • Increase the number of persons employed in knowledge-based sectors, high technology and information and communications technology (ICT), green economy, "white" sector and personal services sector, processing industry with higher value added from labour, creative and cultural sectors, who have improved their knowledge and skills.

Note: This table is not comprehensive but provides an overview of several key strategies and programmes related to improving adult skills in Bulgaria.

Source: Government of Bulgaria (2022[13]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria;* Ministry of Economy and Industry (2022[14]), *Human Resource Development*, www.mi.government.bg/; European Commission (2017[10]), *Independent national experts network in the area of adult education/adult skills*, https://epale.ec.europa.eu/sites/default/files/2021-02/17.01.19_ALN_BG-TOC.pdf; European Commission (2008[15]), *National Programme for Roma Literacy and Qualification*, https://ec.europa.eu/migrant-integration/library-document/national-programme-roma-literacy-and-qualification_en; CEDEFOP (2022[16]), *Bulgaria: National employment strategy 2021-30*, www.cedefop.europa.eu/en/news/bulgaria-national-employment-strategy-2021-30#:~:text=The%20National%20employment%20strategy%202021%2D30%20includes%20active%20measures%2C%20among,adult%20participation%20in%20lifelong%20learning; European Commission (2021[17]), *Education and Training Monitor 2021: Bulgaria,* www.europa.eu/webpub/eac/education-and-training-monitor-2021/en/bulgaria.html; World Bank (2021[18]), *Vocational Education and Lifelong Learning in Bulgaria*, www.eufunds.bg/sites/default/files/uploads/opseig/docs/2021-08/EN_VET_LLL_June_22.pdf; Eurydice (2014[19]), *Bulgaria Lifelong Learning Strategy*, www.eurydice.eacea.ec.europa.eu/national-education-systems/bulgaria/lifelong-learning-strategy.

Roles and responsibilities for improving adult skills

Promoting adult education and training requires the involvement of a wide range of government and non-governmental stakeholders. The primary actors that determine policy related to Bulgaria's adult learning system include the Ministry of Education and Science (MES) and the Ministry of Labour and Social Policy (MLSP). MES is responsible for developing, promoting, and implementing strategies and policies related to education and training in Bulgaria, including education and training for adults. MES is also responsible for accrediting education and training programmes in the formal education system (including those in which adults participate); determining the number of places for training in public VET institutions; developing Bulgaria's state educational standards (SES) for general education and the national qualification framework (NQF); adopting the SES for acquiring VET qualifications and the official list of professions for VET (LPVET) (both developed by the National Agency for Vocational Education and Training [NAVET], as described below); determining the list of priority professions (using the MLSP forecasts of labour shortages); overseeing adult literacy programmes; and collecting data on adult participation in education and training (Eurydice, 2014[19]; World Bank, 2021[18]). Within MES, the VET Directorate is the most involved in adult education and training as it is responsible for VET schools for those aged 16+, including

adults. While basic adult literacy is also MES's responsibility, no unit within the ministry is dedicated to developing policy in this area (World Bank, 2021[18]).

The MLSP is responsible for employment policy in Bulgaria, including training the labour force and integrating disadvantaged groups into the labour market. For example, the MLSP is responsible for programmes and measures to increase employment, including among disadvantaged groups, programmes and measures to provide vocational training to the labour force, and developing methodologies to increase the effectiveness of adult training. The ministry is also in charge of analysing employers' needs for skilled workers, and thus vocational training needs, and for providing vocational guidance and training for job seekers through the National Employment Agency (NEA) (for more on the NEA and adult education and training for unemployed or inactive individuals, see Chapter 4) (World Bank, 2021[18]). Regional employment commissions are responsible for implementing state policy for employment and adult education and training at the regional level. These commissions are required to provide information to the NEA twice a year about employers' skills needs in order to inform NEA-organised training for employed and unemployed adults. Co-operation councils to the labour offices are local employment bodies responsible for monitoring state employment policy as it is implemented locally (ILO, n.d.[20]). As set out in Article 58 of the Employment Promotion Act, MES and the MLSP are together responsible for developing and co-ordinating the state policy of adult education and training; creating conditions for assessment and recognition of non-formal education and training and informal learning; and analysing and forecasting future needs to be addressed by adult education and training (ILO, n.d.[20]).

The National Agency for Vocational Education and Training (NAVET), an independent agency established by the Council of Ministers, is responsible for developing strategies and co-ordinating activities related to improving VET in Bulgaria, including continuous VET for adults. NAVET's mandate from VETA involves: developing the VET SES (which are ultimately proposed to and adopted by MES) and the official LPVET; licensing private VET centres and information and vocational guidance centres (Table 3.2); collecting data on VET providers and graduates; monitoring the activities and overseeing the quality assurance of licensed institutions; proposing improvements for the VET system; and providing methodological support and support for validation processes for VET providers (World Bank, 2021[18]).

A number of councils were also intended to play a role in Bulgaria's adult learning system. The National Strategy for Lifelong Learning (2014-2020) envisioned the establishment of a National Council for Lifelong Learning under the Council of Ministers to co-ordinate the implementation of lifelong learning policies laid out in the strategy. While a National Coordination Group for Lifelong Learning was established instead of a council in 2014, the group has, in practice, been very limited in its ability to develop specific implementation plans and evaluation reports, as was intended (World Bank, 2021[18]). However, the National Employment Promotion Council does exist in practice. It is responsible for discussing and providing opinions on the implementation of the employment policy of the National Employment Action Plan (Table 3.1) (MLSP, n.d.[21]). This includes a number of measures and programmes related to adult education and training, for example, discussing the list of professions for which vocational training should be provided to unemployed individuals (World Bank, 2021[18]).

Additional actors in Bulgaria's adult education and training system include education and training providers, employers, trade unions, enterprise associations, non-governmental organisations (NGOs) and local municipalities.

Main providers in the adult learning system

A variety of providers offer formal and non-formal education and training opportunities for employed (and other) adults in Bulgaria, as described in Table 3.2. There are three types of formal education and training available to adults in Bulgaria: continuous vocational education and training (CVET); "second-chance" education (basic literacy or skills courses for adults); and higher education. Given that participation of adults aged 25+ in tertiary education is not high relative to the EU average (see Chapter 2 for a discussion of this point in greater depth), analyses related to adult learning in Bulgaria will, in this chapter, primarily concern CVET, second-chance education, and non-formal and informal learning opportunities for adults (World Bank, 2021[18]). Adult education and training opportunities that specifically target unemployed or inactive individuals are discussed in Chapter 4.

Table 3.2. Bulgaria's adult education and training providers for employed individuals

Provider	Description	Number of providers	Number of adult (aged 25-64) participants
VET gymnasiums	Provide vocational education and training (VET) at the level of European Qualifications Framework (EQF) 3 and 4, available for individuals aged 16+. These are part of the formal education system under the responsibility of the Ministry of Education and Science (MES).	350 (2021-22)	37 856 (2016)
General schools offering VET programmes	Classes within general schools that provide VET at the level of EQF 3 and 4, available for individuals aged 16+. These are part of the formal education system under the responsibility of MES.		
VET colleges	Provide post-secondary, non-tertiary VET education at the level of EQF 5, available for students aged 19+. These are part of the formal education system under the responsibility of MES.	21 (2021-22)	
Universities and tertiary colleges	Provide tertiary education at the level of EQF 6, 7 and 8. These are part of the formal education system under the responsibility of MES.	54 (2021, 2022)	
Schools offering second-chance adult education	Provide courses to help adults complete qualifications up to the level of compulsory formal education. They are part of the formal education system under the responsibility of MES and can be offered at primary, lower secondary or secondary schools.	Unknown; data not collected by the National Statistical Institute (NSI)	
VET centres	Provide continuing VET to individuals aged 16+. These are mostly private institutions established under the Vocational Education and Training Act and licensed by the National Agency for Vocational Education and Training. Learners can obtain vocational qualifications but not educational degrees (individuals can take an additional exam to receive an educational degree).	918 (2021-22) of which: 292 offer full qualifications	82 204 (2021) of which: 9 778 obtained a professional qualification level 72 426 trained for partial qualification
Enterprises	Provide on-the-job training, non-formal and informal training, and are active partners in apprenticeships.	27 960 (2015)	386 858 (2015)
Community cultural centres (*chitalishta*)	Local community centres that provide non-formal courses in language, arts and culture.	3 321 (2017)	Unknown
Trade unions	Provide non-formal education and training opportunities as part of active labour market policies that are usually also open to people who are not members of the union. Also involved with apprenticeships.	Unknown	14 652 (2016)
Craft chambers	Provide non-formal training to craft trade apprentices, governed by the Commerce Act.	57	36 198 (2016)
Nationally representative employers' organisations	Provide non-formal education and training as part of active labour market policies.	5	

Provider	Description	Number of providers	Number of adult (aged 25-64) participants
Non-governmental organisations (NGOs)	Examples include the Znanie Association, an NGO that oversees 30 regional associations that provide adult education and training; scientific-technical associations, which are NGOs that provide VET and continuous vocational education and training in technical occupations; and NGOs that provide literacy and other basic skill courses to vulnerable groups.	Unknown; data not collected by NSI	Unknown; data not collected by NSI

Source: Eurydice (2022[22]), *Institutions providing adult learning and education: Bulgaria*, www.eurydice.eacea.ec.europa.eu/national-education-systems/bulgaria/institutions-providing-adult-education-and-training.eacea.ec.europa.eu/national-education-systems/bulgaria/institutions-providing-adult-education-and-training; NSI (n.d.[23]), *National Statistical Institute of the Republic of Bulgaria,* www.nsi.bg/en; NAVET (n.d.[24]), *Register of Vocational Training Centres (CVT)*, www.navet.government.bg/en/register-of-vocational-training-centres-cvt/; Eurydice (2022[25]), *Bulgaria: Administration and governance at local and/or institutional level*, https://eurydice.eacea.ec.europa.eu/national-education-systems/bulgaria/administration-and-governance-local-andor-institutional-level; EURES (n.d.[26]), *European Job Days: Bulgaria,* www.europeanjobdays.eu/en/eures-country/bulgaria; World Bank (2021[18]), *Vocational Education and Lifelong Learning in Bulgaria*, www.eufunds.bg/sites/default/files/uploads/opseig/docs/2021-08/EN_VET_LLL_June_22.pdf.

Even though participation in non-formal education and training in Bulgaria is quite limited (Figure 3.3), the vast majority of the non-formal education and training that does exist is provided by employers (Eurostat, 2016[8]). Additional non-formal education and training in Bulgaria typically occurs in local community centres (*chitalishta*) and through trade unions, employers' organisations or chambers of commerce.

Bulgaria's performance in adult skills

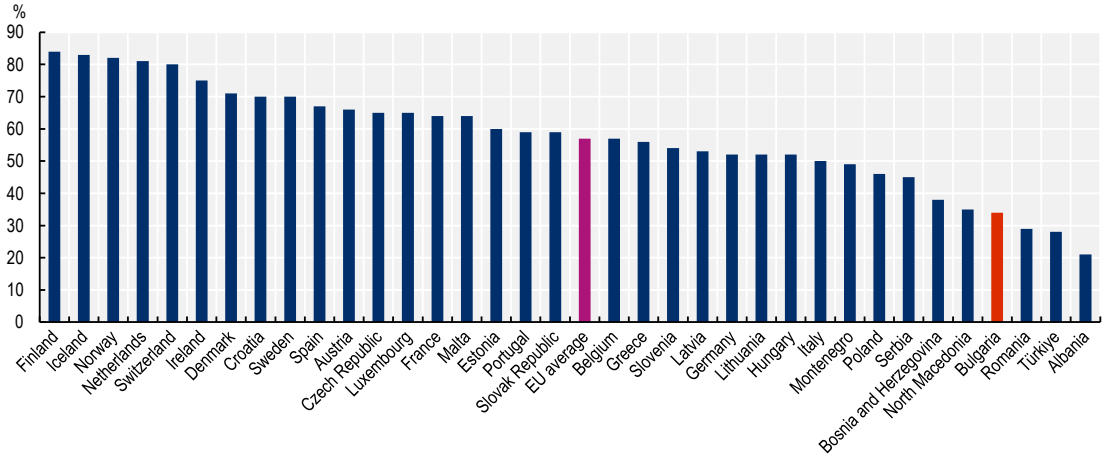
Despite the growing importance of upskilling and reskilling among adults in Bulgaria and the focus placed on improving Bulgaria's performance in this area in a number of national strategies (Table 3.1), adult skill levels remain low, and participation in adult education and training is lower in Bulgaria than in any other EU country. Furthermore, the motivation to participate in adult education and training is very low in Bulgaria, and employers in Bulgaria provide fewer opportunities for adult education and training than most of their EU peers.

Skill levels of adults in Bulgaria

Although some measures of adults' skill levels in Bulgaria are not available, such as data from the Survey of Adult Skills (Programme for the International Assessment of Adult Competencies, PIAAC), there are a number of indicators that the skill levels of Bulgarian adults are low, on average, relative to their EU counterparts. This is evidenced, among other things, by the relatively low performance of Bulgarian youth (15-year-olds) on the skills dimensions tested by the OECD Programme for International Student Assessment (PISA) (OECD, 2019[27]). Bulgarian youth score well below the OECD average in reading, mathematics and science and a small share has at least basic or above basic digital skills (see Chapter 2). In addition, while 57% of individuals in the European Union, on average, have basic or above basic digital skills, in Bulgaria, this figure stands at 34%, surpassing only Romania, the Republic of Türkiye and Albania (Figure 3.2). The officials and stakeholders consulted during this Skills Strategy project (hereafter "project participants") also mentioned concerns about the skill levels of adults in Bulgaria, including transversal skills, such as interpersonal skills and public speaking.

Figure 3.2. Basic digital skill proficiency in Bulgaria and selected countries, 2021

Percentage of adults (aged 25-64) with basic or above basic digital skills



Source: Eurostat (2021[28]), *Digital economy and society 2021: Individuals' level of digital skills (from 2021 onwards)*, https://ec.europa.eu/eurostat/databrowser/view/ISOC_SK_DSKL_I21__custom_3206256/default/table?lang=en.

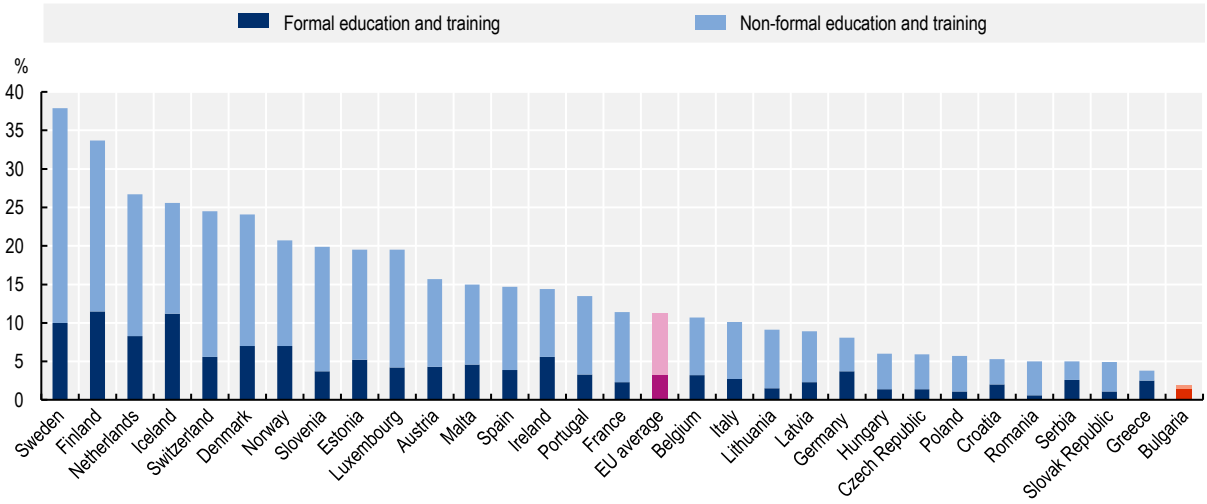
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Participation in formal and non-formal education

Participation in adult education and training in Bulgaria is the lowest in the European Union (Figure 3.3), with an even larger gap between Bulgaria and other EU countries when it comes to non-formal education than the gap in formal education. In 2021, less than 2% of adults (aged 25-64) in Bulgaria participated in adult education and training, falling well short of Bulgaria's 2020 national target of 5% set in the National Strategy for Lifelong Learning (2014-2020). Even though Bulgaria has had a lifelong learning strategy since 2008, there has been little progress towards the target participation numbers in the above strategies. Furthermore, the participation rate in adult education and training has generally declined since 2018 (2.5%), falling to 1.6% in 2020 in the wake of the COVID-19 crisis and recovering only to 1.8% in 2021 (below Bulgaria's 2013 level) (Eurostat, 2016[8]). Meanwhile, in the European Union, average adult education and training participation rates had already recovered to pre-COVID levels by 2021.

Figure 3.3. Participation in adult learning in Bulgaria and selected countries, 2021

Percentage of adults (aged 25-64) who participated in formal and/or non-formal education and training in the past four weeks



Source: Eurostat (2021[29]), *Labour Force Survey 2021: Participation rate in education and training (last 4 weeks) by type*, https://ec.europa.eu/eurostat/databrowser/view/TRNG_LFS_09__custom_3502514/default/table?lang=en.

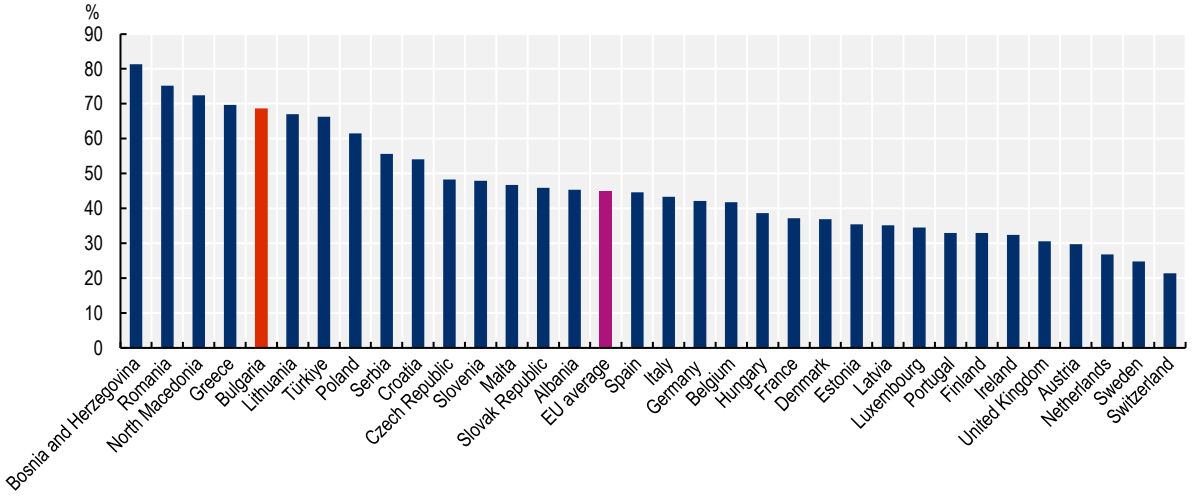
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As in other countries, participation in adult education and training in Bulgaria is lower for unemployed and minority groups such as the Roma (discussed in greater detail in Chapter 4), as well as for individuals with lower levels of education (1.7% for those with below-tertiary-level education versus 2.9% among those with tertiary education, as compared to 8.2% and 18.6%, respectively, in the European Union on average) and older individuals. While older individuals participate less in adult education and training in most countries, in Bulgaria, the share of 25-34 year-olds participating is nearly five times greater than the share of 35-44 year-olds (in the European Union, on average, this is less than double). The share of 45+-year-olds participating in Bulgaria is nearly zero (compared to 5.7% in the European Union, on average) (Eurostat, 2021[29]).

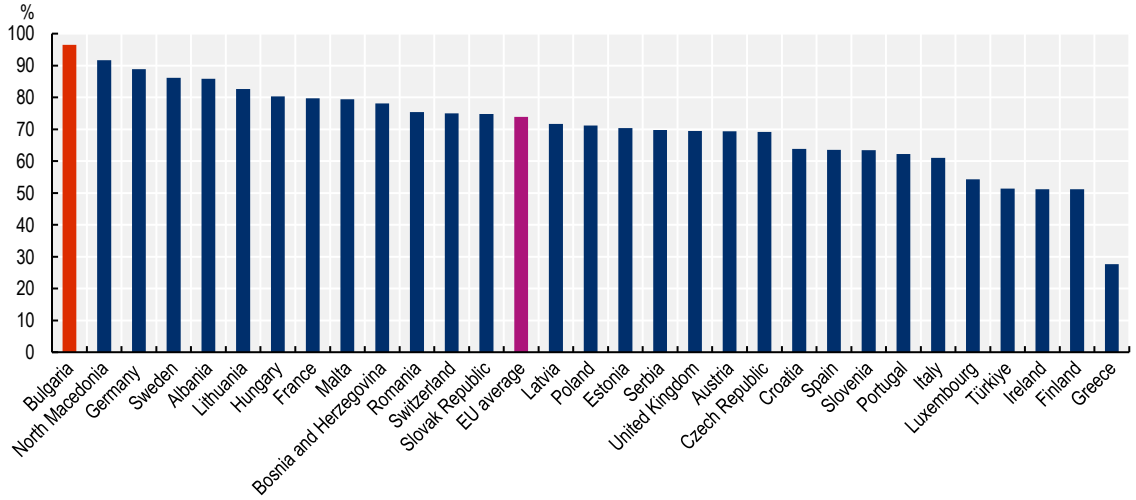
Low participation in adult education and training in Bulgaria is influenced by particularly low motivation to engage in lifelong learning. Survey data shows that 68.7% of adults aged 25-64 do not participate and do not want to participate in education and training, compared to only 44.9% on average in the European Union (Figure 3.4). Furthermore, Bulgaria has the highest share in the European Union of individuals responding that they do not participate in adult education and training because there is "no need" (Figure 3.4), despite low skill levels among adults. Adults in Bulgaria also do not seem to regard training as a way to gain the skills they need for work. In fact, in the European Working Conditions Survey, Bulgaria ranks last of all countries surveyed in responding, "I need further training to cope well with my duties" at work (Eurofound, 2019[30]).

Figure 3.4. Willingness to participate in adult education and training in Bulgaria and selected countries, 2016

A. Percentage of the population who did not participate and did not want to participate in adult education and training



B. Percentage of the population for whom the main reason for not participating in education and training is "no need"



Source: Eurostat (2016[8]), *Adult education survey 2016: Population by will to participate in education and training*, https://ec.europa.eu/eurostat/databrowser/view/TRNG_AES_175/default/table?lang=en&category=educ.educ_part.trng.trng_aes_12m3; Eurostat (2016[8]), *Population not wanting to participate in education and training by main reason and sex*, https://ec.europa.eu/eurostat/databrowser/view/TRNG_AES_195/default/table?lang=en&category=educ.educ_part.trng.trng_aes_12m3.

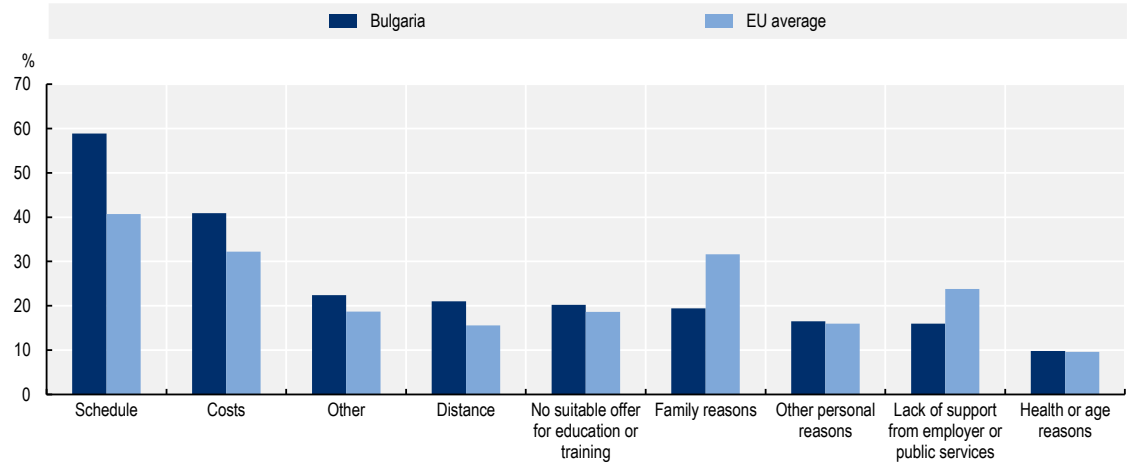
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Project participants confirmed adults' low motivation to participate in adult education and training, citing this as a top priority to address to improve adult skills in Bulgaria. They noted that adults in Bulgaria would be more motivated to participate in adult learning if they saw the benefits of this learning in the form of higher wages or better status in the labour market. Indeed, public survey data support the notion that Bulgarian adults view career progression and better income as central reasons to participate in adult education and training. Some 67% of surveyed adults in Bulgaria completely agree that adult learning and continuing VET are important to progress in a career (compared to 55% in the European Union, on average), and 65% completely agree that these are important to achieve a better income (compared to 49% on average in the European Union) (CEDEFOP, 2020[31]). However, project participants mentioned that motivation remains low as adults do not see such benefits in practice.

Even individuals in Bulgaria who are motivated and want to participate in adult learning face a number of barriers to doing so, most notably time and financial constraints (Figure 3.5). These barriers are more substantial in Bulgaria than in the European Union, on average, with 59% of Bulgarians citing their schedules as a barrier compared to 41% in the European Union, on average, and 41% of Bulgarians citing costs as a barrier compared to 32% on average in the European Union. Project participants shared that the relatively long duration of adult education and training options in Bulgaria make it all the more difficult for individuals to fit learning into their work and personal schedules. Furthermore, while project participants acknowledged that government subsidies help to cover part of the costs of training to individuals, they explained that for employed individuals, although their employers could, in theory, contribute to the out-of-pocket spending not covered by subsidies for their employees, they rarely do so because the mindset of employers is that developing skills is the responsibility of the education system and not of employers. Thus, employees are left to shoulder the remaining costs on their own.

Figure 3.5. Barriers to participation in adult learning, Bulgaria and the European Union, 2016

Percentage of individuals wanting to participate in education and training, by reason for not participating



Source: Eurostat (2016[8]), *Adult education survey 2016: Population wanting to participate in education and training, by reason for not participating and sex,* https://ec.europa.eu/eurostat/databrowser/view/TRNG_AES_176__custom_3565161/default/table?lang=en.

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In terms of the quality and relevance of adult education and training, individuals in Bulgaria who are interested in participating in adult learning cite the lack of a suitable offer for education and training (20.2%) slightly more than their peers in the European Union on average (18.6%). Furthermore, when asked about the *main* reason for not participating in adult education and training, individuals cite that there is no suitable

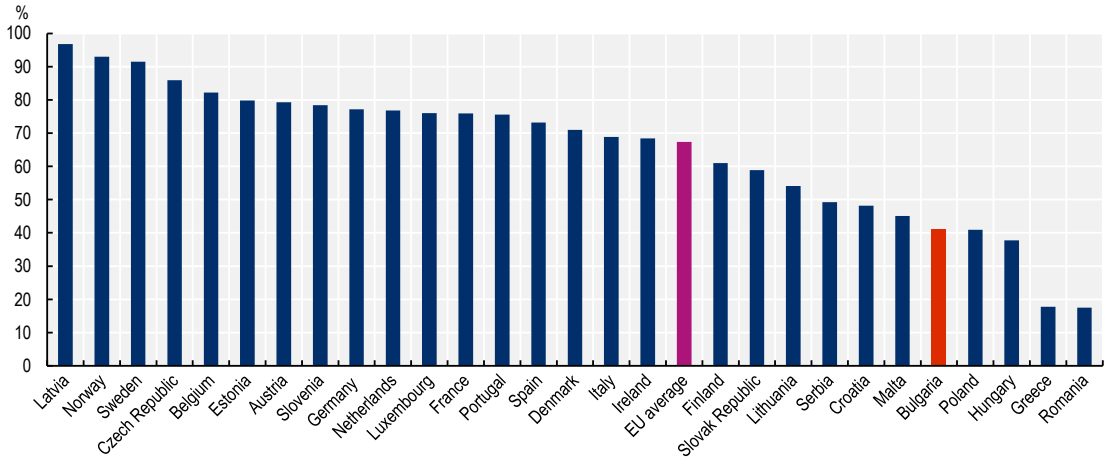
offer – above all other reasons besides schedule and cost. In contrast, in the European Union, on average, family reasons and lack of support from employers or public services rank higher (Eurostat, 2016[8]).

Participation in training provided by employers

Enterprise involvement in providing or supporting adult education and training in Bulgaria is quite low. For example, only 41% of enterprises provide continuing vocational training (CVT), compared to 67% on average in the European Union (Figure 3.6).

Figure 3.6. Training provision in enterprises in Bulgaria and selected countries, 2020

Percentage of enterprises providing continuing vocational training (CVT)



Source: Eurostat (2020[32]), *Continuing Vocational Training Survey 2020: Enterprises providing training by type of training and size class - % of all enterprises,* https://ec.europa.eu/eurostat/databrowser/view/trng_cvt_01s/default/table?lang=en.

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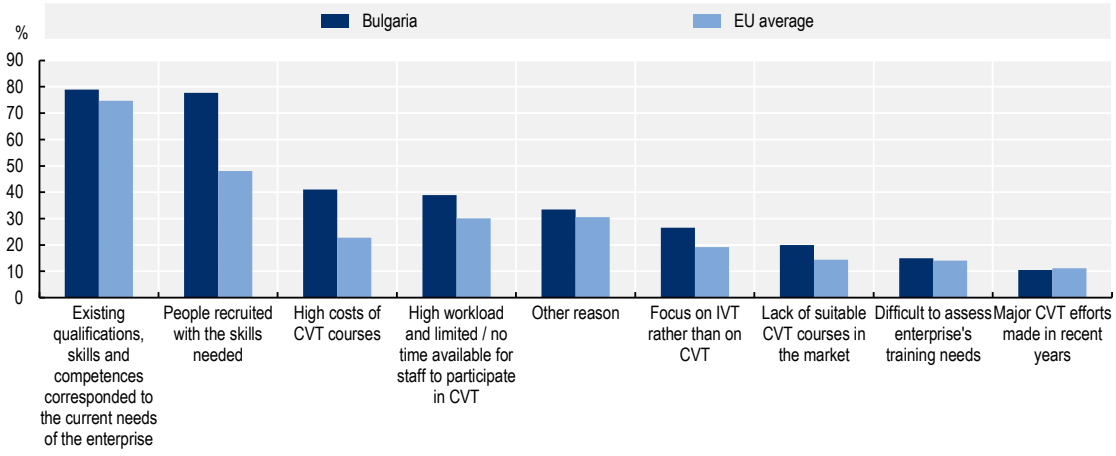
Similar to individuals, motivation among employers to provide or support adult education and training opportunities for their employees appears to be quite low in Bulgaria. Bulgarian companies do not place a high value on training, which is exhibited by the fact that a lower share (29%) rate the value of training as high compared to the EU average (35%) and a higher share rate the value as low (32% versus 25% in the European Union) (Eurofound, 2019[33]). Within Bulgaria, training is even less highly valued by smaller companies. Companies with 250 or more employees are more likely to place a high value on training (38%) than small (29%) or medium-sized (24%) enterprises. Not valuing training highly may, of course, stem from a number of sources, including low awareness, a feeling that there is "no need" to invest in training, and a perception that available training opportunities are not of high quality (including cost-per-value). During consultations, project participants echoed the notion that employer motivation to have employees participate in education and training is low, especially among SMEs, noting that this is likely also related to practical challenges, such as work cannot continue when one or two workers are absent for training.

Employers, like individuals, report cost and time as important barriers to investing in adult education and training. The main reasons enterprises cite for not providing training – after employees' or new hires' skills already meet the enterprise's needs – are costs and limited flexibility to release staff to participate in education and training (Figure 3.7). These are both greater concerns in Bulgaria, standing at 41% and 39%, respectively, than in the European Union (23% and 30%, respectively). In fact, costs are cited as a barrier for employers in Bulgaria more than in any other country besides Lithuania and Portugal (Eurostat, 2020[32]). In addition, employers in Bulgaria seem to struggle to find education and training opportunities that meet their needs more than employers in other countries in the European Union.

A higher percentage of enterprises in Bulgaria (20%) report not providing education and training because of a lack of suitable CVT courses in the market than in the European Union, on average (14%) (Eurostat, 2020[32]). This indicates that, from employers' perspective, there is room to improve the quality and relevance of adult education and training in Bulgaria.

Figure 3.7. Reasons employers in Bulgaria and the European Union do not provide training, 2020

Percentage of enterprises that do not provide training, by reason for non-provision



Note: CVT: Continuing vocational training; IVT: Initial vocational training.
Source: Eurostat (2020[32]), *Continuing Vocational Training Survey 2020: Enterprises providing training by type of training and size class - % of all enterprises,* https://ec.europa.eu/eurostat/databrowser/view/trng_cvt_01s/default/table?lang=en.

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Better engaging employers in providing and promoting adult learning could help make lifelong learning a priority in Bulgaria and encourage adults to engage in upskilling and reskilling activities.

Opportunities to improve adult skills

Bulgaria's performance in adult skill levels and participation in adult education and training is affected by many individual, institutional and societal factors. However, three critical opportunities for improvement have been identified for Bulgaria as a result of the analysis above, which synthesises insights from the literature, desk research, input from the Bulgarian Project Team, and contributions made by project participants during the Assessment and Recommendations workshops and group discussions.

The three main opportunities for improving adult skills in Bulgaria are:

1. increasing motivation among adults and employers to participate in adult learning
2. making education and training more flexible and accessible for adults and employers
3. improving the quality and relevance of adult education and training for adults and employers.

These opportunities for improvement are now considered in turn.

Opportunity 1: Increasing motivation among adults and employers to participate in adult learning

Adults and employers are more likely to feel motivated to participate in upskilling and reskilling activities if they are aware of the general benefits of lifelong learning and believe that participating in these activities will benefit them specifically and lead to desired outcomes. During consultations, project participants cited low motivation as one of the primary challenges that needs to be addressed to improve adult skills in Bulgaria and noted that without sufficient measures to address motivation, adults are unlikely to participate in adult learning even if other barriers to participation are reduced.

In Bulgaria and other countries, non-financial and financial mechanisms can be used to increase motivation to participate in adult education and training, whether among individuals or employers. For example, raising awareness and improving guidance and support are promising non-financial tools to increase the motivation of individuals and employers alike to invest in upskilling and reskilling (OECD, 2021[34]). At the same time, targeted and well-designed financial incentives can provide external triggers to motivate participation (OECD, 2017[35]). Furthermore, non-financial and financial mechanisms can have an even greater effect on increasing motivation when designed to complement one another and are applied in tandem.

Improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

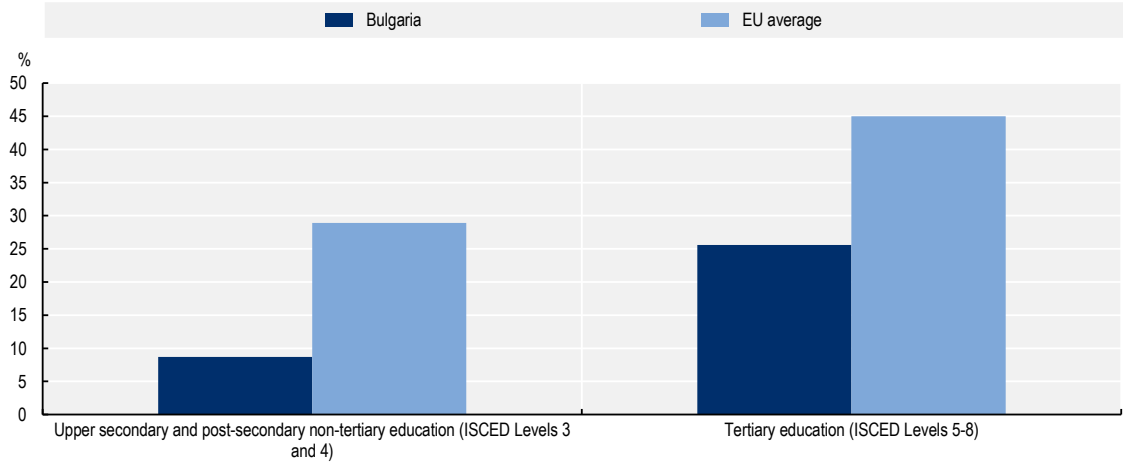
Non-financial mechanisms, such as holistic career guidance, can boost motivation to participate in adult education and training in Bulgaria. As discussed above, motivation to participate in adult learning in Bulgaria is among the lowest in the European Union. However, project participants believe this could be improved if adults and employers were better exposed to the potential benefits of participation. Evidence shows that providing guidance to learners and raising awareness about the benefits of learning are more effective at shaping individuals' dispositions towards learning than direct financial incentives (European Commission, 2015[36]). In addition to increasing appreciation for the potential *benefits* of continuous learning, guidance for adults can provide up-to-date information on available learning *opportunities* and guidance on how to access *support* to participate in adult learning for which they are eligible (European Commission, 2015[36]). In OECD countries, career guidance has been shown to be highly effective at improving adults' skills outcomes, with participants reporting progression within their job (25%) and enrolling in adult education and training programmes (19%) within six months of receiving career guidance (OECD, 2021[34]).

It appears that adults in Bulgaria would benefit from better guidance to increase their motivation to participate in education and training and their disposition towards lifelong learning. One indication of this is that adults in Bulgaria, and low-skilled adults in particular, are less likely than their peers in other countries to actively search for information about adult learning. Some 55% of adults report never having looked for information on learning and training opportunities in the last 12 months, compared to an EU average of 46% (CEDEFOP, 2020[31]). While, in general, individuals may be less likely to look for information where information is readily available, Bulgaria's low participation rate in adult learning would suggest that this is not the case here. While the share of individuals with tertiary education searching for information on adult education and training is nearly twice as high in the European Union, on average than in Bulgaria (45% compared to 26%, respectively), this figure is more than three times greater in the European Union, on average, than in Bulgaria for those with only upper secondary education (29% compared to 9%, respectively) (Figure 3.8). Individuals with low skills tend to have more difficulty identifying their skills gaps and needs, which makes them less likely to actively search for education and training opportunities (Windisch, 2015[37]). These individuals are most effectively connected with fitting education and training opportunities when provided with information, guidance, or support in their usual contexts, such as in the workplace (OECD, 2019[38]).

Bulgaria currently has some infrastructure and policies to support adult career guidance, but the system is substantially underdeveloped, making it largely ineffective. Most career guidance measures in Bulgaria focus on students and are provided in initial, general and VET schools, or focus on the unemployed and are provided through employment offices under the NEA. Technically, the NEA employment offices also provide guidance to employed individuals. However, project participants noted that Bulgarian adults associate the NEA with unemployment and are unlikely to take advantage of its services if employed. Indeed only 1.2% of NEA clients are employed individuals (OECD, 2022[39]).

Figure 3.8. Share of adults who actively search for information on adult learning in Bulgaria and the European Union, 2016

Percentage of adults who search for information on formal and non-formal learning possibilities, by educational attainment level



Note: Data are not available for Bulgaria for the category "Less than primary, primary and lower secondary education [International Standard Classification of Education (ISCED) Levels 0-2]"; therefore, the category is not shown.
Source: Eurostat (2016[8]), *Adult Education Survey 2016: Search for information on learning possibilities by education attainment level,* https://ec.europa.eu/eurostat/databrowser/view/TRNG_AES_184/default/table?lang=en&category=educ.educ_part.trng.trng_aes_12m1.

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The guidance option most available to employed adults at present is the 38 private centres for information and vocational guidance (Частни центрове за кариерно ориентиране) licensed by NAVET. These are spread around the country to provide career guidance to employed and unemployed individuals. However, 38 centres are not enough (38 compared to, for example, the 106 local employment offices and 145 affiliated offices). These centres have, in practice, only provided career guidance to about 3 400 individuals, most of whom were unemployed (OECD, 2022[39]).

Another possible option for employed individuals to receive career guidance is the ten career centres (Центрове за кариерно ориентиране) operating in the NEA's regional employment service directorates as part of the Career Development of Employees project. The main activities of the career centres are: providing information about the labour market and employment opportunities; delivering guidance and consulting services concerning career choices; organising and conducting seminars; facilitating meetings with employers; and organising career days. However, only 9 out of 29 districts in Bulgaria have these centres, meaning that over two-thirds of districts are not serviced by such centres. Furthermore, the visibility of these centres is quite low, with almost no relevant information about their services available on line. The 10 NEA career centres provided guidance to 2 856 individuals and 156 groups in 2021, with some services delivered by phone, and no reports of services delivered on line (NEA, 2021[40]).

It is difficult to assess the degree to which these types of guidance centres are successful as limited evaluations of their effectiveness are available. However, an impact evaluation of Bulgaria's Lifelong Learning Strategy (2014-2020) prepared in 2021 found the implementation of elements of the strategy related to the development of career guidance services not to have met the stated goals (Industry Watch Group, 2021[41]). Project participants agreed with this conclusion, noting that the adult career guidance system in its current state does not sufficiently motivate adults in Bulgaria to participate in adult education and training.

One factor that greatly impacts the limited take-up and effectiveness of career guidance as part of lifelong learning interventions for employed individuals is low public funding. While BGN 998.5 million (Bulgarian lev) was allocated to work-focused training of employed and unemployed individuals in 2014-20, only BGN 5.2 million was allocated to career orientation in the same period (World Bank, 2021[18]). Moreover, while funds for work-focused training increased in 2014-20 from those allocated in 2007-13, the funds allocated for career orientation decreased. At the same time, the 38 centres for information and vocational guidance that do provide some form of career orientation are private. Project participants noted that the services provided by the centres must be paid for by the individuals seeking guidance. Thus, career guidance is an element of lifelong learning that is not currently prioritised or sufficiently funded in Bulgaria.

Funding and further support could go towards improving the capacity of career guidance centres to provide guidance services to employed individuals by increasing their staff and resources, broadening access to career guidance, including through promoting various modes of provision (e.g. in person, by phone, on line) and improving the quality of guidance, for example, through methodological guides for career guidance counsellors and evaluating career guidance outcomes to improve provision. Adults in Bulgaria seem to agree that there is room for improving career guidance to encourage them to upskill and/or reskill. In fact, a higher percentage of individuals in Bulgaria (53%) than in the European Union (49%) on average agree that more information and guidance would encourage participation in work-related training (CEDEFOP, 2020[31]).

Given Bulgaria's limited administrative capacity, referenced frequently by project participants, it would be most effective to look to the models of other effective career guidance measures within Bulgaria (Box 3.2) and to strengthen career guidance for employed individuals in Bulgaria through the existing career guidance infrastructure. To maximise the impact of career guidance on improving adult skills, strengthening career guidance services would need to be followed by concerted awareness raising and outreach measures to encourage more adults to take advantage of such services. This may require building on agencies', social partners', and municipalities' existing contacts with individuals and employers.

Box 3.2. Relevant national practice: Improving non-financial mechanisms to increase motivation among adults and employers to participate in adult learning

Bulgaria: Career Guidance project

The Career Guidance project was active in Bulgaria for two years under the Operational Programme for Science and Education for Smart Growth (OPSESG) (2014-2020). The programme aimed to pilot and develop a comprehensive career guidance system in schools in the formal education system. The project included: access to career guidance centres for students, parents, and teachers; a national portal for career guidance (http://orientirane.mon.bg), which includes tools such as questionnaires on students' interests/abilities and information about professions; information on career guidance and learning opportunities; a tool for assessing one's skills relative to various professions; and access to methodological materials for career guidance of students for career counsellors. The programme had an implementation budget of just under EUR 5.5 million and was co-financed by the European Union through the European Structural and Investment Funds.

The Career Guidance project was intended to specifically reach vulnerable groups and reduce rates of early dropouts. Nonetheless, the programme design did not specify how it would reach particular target groups. Data are not available on early dropouts, but students from vulnerable groups who participated in the Career Guidance project, such as Roma or low-income students, were indeed found to continue to further participate in education.

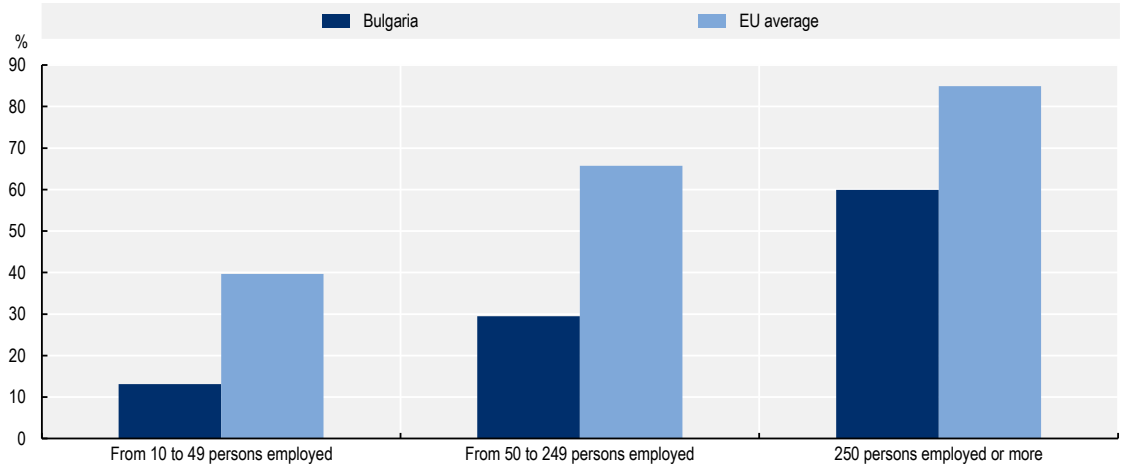
Source: World Bank (2021[18]), *Vocational Education and Lifelong Learning in Bulgaria*, www.eufunds.bg/sites/default/files/uploads/opseig/docs/2021-08/EN_VET_LLL_June_22.pdf; CEDEFOP (2020[42]), *Inventory of lifelong guidance systems and practices*, www.cedefop.europa.eu/en/country-reports/inventory-lifelong-guidance-systems-and-practices-bulgaria.

Similar to individuals, employers in Bulgaria do not appear to be motivated to provide or support the provision of adult education and training to their employees. However, it is quite clear that employers would benefit from upskilling their employees. Over one-quarter of Bulgaria's employers – the European Union's highest share – reported that 80% or more of their newly recruited employees did not yet have the skills needed to do their job to the required level (Eurofound, 2019[33]). At the same time, perhaps driven by the low skill levels of new recruits, employers in Bulgaria rank having all the required skills as the most important characteristic when recruiting new employees (28%), more important than personality fit (14%), having the required qualifications (15%), or having experience in similar positions (25%) (Eurofound, 2019[33]). In fact, Bulgaria lags behind only Latvia in the importance employers give to recruits with all the required skills. During consultations, project participants reinforced the notion that employers' motivation to invest in adult learning is hampered by not believing this will improve the firm's outcomes and not having the time or capacity to do so, including the time or capacity to understand what training is available and most suited to their needs. The latter, according to project participants, is particularly challenging for SMEs.

The first step to finding training that addresses employers' needs is employers having a better sense of what those needs are based on skill gaps in their firms. However, Bulgarian enterprises do not currently take action to understand their skill gaps or the level of skills and competencies needed to increase their competitiveness. About 48% of enterprises in Bulgaria never assess their future skill needs, falling only behind Poland, Romania, and Latvia (and compared to 33%, on average, in the European Union) (Eurostat, 2020[32]). According to a 2019-20 technical report by PricewaterhouseCoopers (PwC) and the European Commission that includes an in-depth analysis of SMEs in Bulgaria, there is a large discrepancy between Bulgarian SMEs' self-assessment regarding the skill competencies in their enterprises and the actual indicators of skills competencies (e.g. reported labour shortages, information on relevant university curricula, quality of education in the country) (PwC, 2020[43]). The report sheds light on the fact that entrepreneurs in Bulgarian SMEs may not be fully aware of the skills gaps within their enterprises (PwC, 2020[43]). Most SMEs report that their employees' qualifications are "good enough" (70%) and report that their own awareness of good practices in their sector is "good enough" (77%) despite having very low outcomes on analysed factors of competitiveness (PwC, 2020[43]). This discrepancy may help explain the low provision of, or support for, adult learning opportunities among enterprises in Bulgaria.

Figure 3.9. Planning for continuing vocational training in enterprises in Bulgaria and the European Union, 2020

Percentage of enterprises with a specific person or unit responsible for organising CVT or having a training plan or budget including CVT, by size of enterprise



Source: Eurostat (2020[32]), *Continuing Vocational Training Survey 2020: Enterprises with CVT planning by type of planning, type of training provided and size class - % of all enterprises*, https://ec.europa.eu/eurostat/databrowser/view/TRNG_CVT_07S__custom_4115786/default/table?lang=en.

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Not only could employers in Bulgaria be more aware of their skill needs but, unlike in other countries (Box 3.3), little has been done towards supporting employers to assess and address these needs. Only 17% of enterprises in Bulgaria have any sort of plan, budget, or staff responsible for continuous learning, compared to an EU average of 44%. Smaller enterprises are much less likely to have such measures (Figure 3.9).

Box 3.3. Relevant international practice: Improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

Japan: Career development support centres

In 2020, the Japanese government created career development support centres (37 around the country) to provide career guidance for all adults. There are various ways to receive career guidance, including in person and via Zoom. Workers can also request guidance in various ways, including registering on line or by phone. Guidance is provided to adults free of charge. While the sessions are open to all adults, they are targeted at specific priority groups (young workers, older workers and workers in SMEs). These centres were created through a government programme but are outsourced to private companies.

The career development support centres exist as part of a career guidance context that extends beyond the centres. The centres are complemented by an online portal called Cari-con-Search, which helps adults find career guidance counsellors outside the free system. Furthermore, the centres supplement other career guidance services provided specifically to employed individuals, particularly the “self-career dock system”, which provides guidance and support to employers who implement regular individual and group career counselling and career seminars within their enterprises. Employers who established a self-career dock system by 2018 were eligible to receive a subsidy from the government.

Korea: Training consortiums

Korea undertook a pilot programme in 2001 that organised SMEs in the same sectors into training consortiums (TCs), each of which had a dedicated staff of two training managers hired through public funds to conduct training needs assessments for SMEs and make them aware of the various education and training options that most fit their needs. Each TC also had an operating committee consisting of SME members, representatives from the local Chamber of Commerce and Industry, local Ministry of Labour officials and training experts. The pilot had extremely positive results in incentivising SMEs to prioritise skills assessments and make use of available funding for training to upskill and reskill employees (see more on the funding mechanism in Box 3.4). The pilot programme increased the number of SMEs participating in training from 11% to 50% in the areas where the pilot was implemented within a year of the pilot launch. Furthermore, in a 2002 survey, 81% of employers reported improved job performance and productivity; 72% reported that waste and defective products had declined; 88% reported increased use of factory machinery; and 67% reported savings in maintenance and repair expenses.

Source: OECD (2021[34]), *Career Guidance for Adults in a Changing World of Work*, https://doi.org/10.1787/9a94bfad-en; OECD (2021[44]), *Creating Responsive Adult Learning Opportunities in Japan*, https://doi.org/10.1787/cfe1ccd2-en; OECD (2019[45]), *Adult Learning in Italy: What Role for Training Funds?*, https://doi.org/10.1787/9789264311978-en; ILO (2017[46]), *Korea Training Levy Case Study*, www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/presentation/wcms_565074.pdf.

Recommendations for improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

Recommendations

2.1 **Strengthen holistic career guidance services for employed adults by expanding the capacity and quality of information and guidance centres**. NAVET, in collaboration with MES and the MLSP, should launch a programme to improve the quality of existing information and guidance centres by providing resources, support and incentives for these centres to provide guidance and registration for guidance through multiple ways (e.g. in person, via phone and on line). Furthermore, the programme should involve targeted outreach and tailored guidance for groups of vulnerable employed individuals such as older Bulgarians, low-skilled workers and individuals working in sectors at risk of automation.

2.2 **Strengthen support to employers to assess their skills and training needs**. The MLSP, in collaboration with social partners, should strengthen information and support to employers, particularly SMEs, on assessing their skills and training needs (e.g. providing access to online skills assessment tools) and on finding suitable training opportunities to provide to their employees. Skills assessment tools should be developed by the MLSP, and skills assessment support and information could be provided by social partners or by expanded sectoral councils (see Chapter 5).

Improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

In addition to employing non-financial mechanisms to increase the motivation of adults and enterprises to engage in learning, Bulgaria can implement financial incentives to encourage participation in adult education and training to reduce costs related to participation. A central reason that individuals invest in

education and training is that they expect higher future returns from participating in such learning. Financial incentives can help amplify future returns by reducing participation costs or attaching financial rewards to participating in adult learning (OECD, 2017[35]). Similarly, providing financial incentives to employers can help overcome various market failures that firms face when investing in training, which is particularly important when employers are central sponsors of employee learning (OECD, 2017[35]).

Despite the existence of a number of financial incentives targeted at individuals, costs continue to discourage or prevent adults in Bulgaria from reskilling or upskilling. As shown in Figure 3.5, costs are the second most common reason cited by individuals in Bulgaria (41%) as a barrier to participating in adult education and training. Furthermore, cost is a greater barrier for individuals in Bulgaria with lower educational attainment levels. While the share of those with tertiary education for whom cost is a barrier in Bulgaria is below the EU average (27% compared to 30%, respectively), for those with less than a tertiary education level, costs are a much more significant barrier in Bulgaria (53% compared to 32% in the European Union) (Eurostat, 2016[8]). While education and training for adults in VET schools is covered by public funds, most of the training in VET centres, where more adults receive education and training, is paid for by learners out of pocket. In fact, 53% of trainings in 2016 and 60% in 2018 were funded by learners themselves (World Bank, 2021[18]). Project participants noted that while adult education and training costs are completely covered for the unemployed, sufficient measures are not in place to reduce cost barriers for other groups, including low-income employed individuals or those who participate less in adult learning.

The financial incentives currently in place in Bulgaria are not doing enough to address the cost barriers to employed individuals to improve their existing skills and acquire new ones. In OECD countries, mechanisms such as subsidies, tax incentives, loans, study/training leave and individual learning schemes are used to help reduce adult learning costs for individuals (OECD, 2019[47]). Currently, as shown in Table 3.3, Bulgaria primarily uses subsidies, a voucher scheme, and a form of training leave to strengthen employed individuals' motivation to participate in adult education and training.

Table 3.3. Main incentives for employed individuals in Bulgaria to participate in adult learning

Type of scheme	Name	Target group	Description
Voucher	"Vouchers for employees"	Employed individuals with secondary education or below	Employees and self-employed individuals can apply for a training voucher, managed by the National Employment Agency, for language courses in English, French, Spanish or German and professional training in web programming or accountancy. The voucher covers 50% of the cost, and the individual covers the rest. The scheme reaches 19 984 recipients.
Subsidy	Flexible employment opportunities	Employed, unemployed and inactive individuals	Scheme to enhance the skills of individuals to meet the current needs of business. It reaches 1 541 recipients.
	"Training for employees"	Employed individuals	Subsidy available to employees in micro, small, medium, and large enterprises to improve skills in line with business needs. It reaches 21 631 recipients.
	"Specific training"	Individuals in high-tech and ICT sectors	Subsidy to increase labour productivity and sustainable employment in knowledge-intensive, high-tech and ICT-based sectors. It reaches 2 606 recipients.
	"Support for entrepreneurship"	Aspiring self-employed	Provision of training and support services to both unemployed and employed persons to gain knowledge and skills to launch one's own business or become self-employed. It reaches 10 118 recipients.
Training leave	Leave for studies	Employed individuals	Employees in specific formal education programmes, such as secondary and high school programmes, evening classes in formal education, or part-time doctoral programmes, can receive study leave to attend and/or prepare for exams. This scheme is managed by the General Labour Inspectorate (of the Ministry of Labour and Social Policy).

Source: CEDEFOP (2022[48]), *Financing adult learning database: adaptation credit*, www.cedefop.europa.eu/en/tools/financing-adult-learning-db/search/adaptation-credit; EUMIS (2020[49]), *All Grant Procedures,* https://eumis2020.government.bg/en/f93df370/Procedure/Ended.

The key subsidy/voucher schemes for upskilling and reskilling employed individuals in Bulgaria are laid out under Priority Axis 1 of the Operational Programme for Human Resources Development (OPHRD) (2014-2020) and have different aims and target audiences from one another. Some schemes are more general ("training for employees") while others are aimed at specific groups, such as low-skilled individuals ("vouchers for employees") or individuals in specific sectors or employment situations ("specific trainings", "support for entrepreneurship").

Bulgaria does not currently employ tax incentives, loans targeted at individuals or individual learning schemes (ILS) (Box 3.A.1) to encourage adult participation in lifelong learning. However, project participants noted that there have been preliminary discussions in Bulgaria about introducing individual learning accounts (ILAs) in the coming years. However, the literature and project participants caution that establishing new types of financial incentives would require substantial administrative capacity, which government stakeholders in Bulgaria have repeatedly noted is limited (World Bank, 2021[18]). Therefore, at least in the short term, it would likely be most effective to strengthen and expand the subsidy and training leave schemes already in place in Bulgaria and to explore select new mechanisms such as ILAs and sectoral training funds with pilot programmes.

An evaluation of Bulgaria's existing financial incentives for individuals found them beneficial. Beneficiaries of these schemes reported that the skills they learned in trainings helped them do their jobs better and contributed to their professional development. They generally reported that the trainings met the skill needs of individuals and employers to a moderate or high degree. Individuals participating in the schemes felt that vouchers were the best mechanism for meeting their education and training needs because they provided individuals with the flexibility to choose their desired education and training opportunities. Employers found that training provided and financed by employers best met enterprises' training needs (Hristova et al., 2022[50]). Furthermore, the evaluation found that participation in training under these schemes tended to lead to employment benefits for individuals, including improved skills and an increase in responsibility and pay in their work. However, they appear to have had little effect on firm productivity (Hristova et al., 2022[50]).

The evaluation also revealed shortcomings. The biggest shortcoming was low motivation to participate among the schemes' target groups. For example, the evaluation showed lower participation among older workers (54+) who had very low participation in adult education and training to begin with – in the "vouchers for employees" and "support for entrepreneurship" schemes – indicating that this group is not well targeted by these financial incentives (Hristova et al., 2022[50]). Survey respondents reported that factors affecting their low motivation to participate in adult learning included difficulty combining training with other work and family commitments, the length of the trainings, lack of on-the-job training, logistical and travel difficulties, poor career guidance services and high co-financing rates (Hristova et al., 2022[50]). In 2019, the "voucher for employees" scheme managed by the NEA, which covers the partial cost of training for employed individuals, increased the required co-financing by individuals from 15% of the voucher value to 50%. The reason was twofold: to increase the motivation of individuals to consistently attend and complete the course, and to increase pressure on training providers by participants for the training to be of high quality. However, an evaluation of this policy change revealed a significant drop in individuals' interest in participating in adult education and training after the introduction of higher co-financing (Hristova et al., 2022[50]). Thus, lowering co-financing rates for the voucher scheme could encourage greater participation.

Bulgaria is planning to introduce ILAs, according to the Human Resource Development Programme (2021-2027) and National Employment Plan for 2022. It should proceed cautiously and strategically with the implementation to ensure its success. First, Bulgaria should consider a variety of types of individual learning schemes (ILS) and not only pure ILAs (Box 3.A.1), which are complex and not very common. In general, ILS seem most effective when they are simple, targeted, generous and integrated with other training supports or incentives (OECD, 2019[47]). Second, Bulgaria should consider exploring the type of scheme and conditions most appropriate for the country's context. Given that Bulgaria already has the "voucher for employees" scheme for employed individuals with low education levels, this programme might

be adapted or expanded as a first step towards adopting an ILS, similar to the mechanisms described in Box 3.4.

Enterprises in Bulgaria also cite costs as a central barrier. As shown in Figure 3.7, cost is among the top reasons Bulgarian enterprises do not provide CVT (43% vs 29% in the European Union on average) after feeling that their skill needs are already met.

SMEs in Bulgaria face particular challenges when it comes to engaging with adult education and learning opportunities. Bulgaria ranks among the lowest of the EU countries in employees participating in training sessions during paid work time, and participation is lower for SMEs than for larger companies (Eurofound, 2019[33]). During consultations, project participants noted the difficulty for all employers in Bulgaria, particularly SMEs, to release employees for training because of the perceived harm that time away from work can inflict on firms' productivity and the bottom line. According to the 2019-20 PwC SMEs Survey, most Bulgarian SMEs report having insufficient funds to provide adequate and high-quality training. At the same time, they often experience additional financial costs related to re-scheduling their business activities and staffing to adjust to training (PwC, 2020[43]).

OECD countries offer a range of financial mechanisms to reduce enterprises' costs in terms of providing employees with education and training. These include subsidies, tax incentives, loans, job rotation, payback clauses, public procurement and training levies/funds (OECD, 2017[35]). Table 3.4 shows the main financial incentives Bulgaria employs to encourage enterprises to offer adult learning opportunities.

Table 3.4. Main incentives for employers in Bulgaria to offer adult learning opportunities

Type of scheme	Name	Target group	Description
Tax incentive	Tax incentive related to scholarships	Employers	Enterprises can get a tax deduction if they give a scholarship for secondary or higher education to a student enrolled in the education system and hire the student after completion of the study programme for at least as long as the time during which the student received the scholarship.
Subsidy	Training for SMEs	Enterprises	The National Employment Agency provides financial support for training in key competencies of employed individuals in micro, small and medium-sized enterprises. The incentive is delivered at the request of employers to encourage them to organise and carry out training for their employees to improve their employability and productivity. The subsidy is enacted in correspondence with the Employment Promotion Act and within the framework of the approved National Employment Action Plan.
	Financial resources for adult learning	Enterprises, preferential treatment given to SMEs	Any company can apply for this grant, managed by the Ministry of Labour and Social Policy (MLSP), to provide fees and other costs related to education and training activities to develop key competencies. Public funding covers 80% (large companies) to 90% (SMEs) of cost.
Payback clause	Payback clause	Employers and employed individuals	Employers and employees can agree to a payback clause in which employees agree to stay in the company for an agreed period of time in exchange for employer-provided or employer-financed education and training or to pay back part or all of the costs of the training should they leave before the agreed-upon time. The legal basis for this is in the Labour Code. The General Labour Inspectorate (of the MLSP) is responsible for managing this scheme.

Source: CEDEFOP (2022[48]), *Financing Adult Learning Database*, www.cedefop.europa.eu/en/tools/financing-adult-learning-db/search/adaptation-credit.

One measure that is not currently used in Bulgaria but was mentioned by several project participants is training levies/funds. National or sectoral training levies pool together resources from employers, generally through an earmarked tax or voluntary contributions, to be used for expenditure on training. Bulgaria had a national training levy in the 1990s that has since been discontinued. Project participants believe there would be little support among employers to reinstitute a national training levy unless they had confidence that the benefits from training would outweigh the costs of employer contributions to the levy. Having

co-contributions from the government to the levy could help overcome this challenge. A training levy with employer contributions could also help reduce Bulgaria's reliance on EU funds for adult learning, which make it very difficult to achieve sustainability over time.

Sectoral training funds may be an appropriate alternative to a national training fund in Bulgaria, as they would allow for adaptation and experimentation at the sectoral level. Operating at the sectoral level can allow each fund to focus on a more targeted group of employers and skills needs and thus increase employer buy-in (OECD, 2021[51]; 2017[35]). Furthermore, levy schemes that are based on sectors are a good mechanism (better than national training levy schemes) for ensuring that training meets labour market needs, as they involve the participation of groups of employers with similar skills needs (OECD, 2017[35]). In Bulgaria, sectoral training funds could be piloted by the expanded sectoral councils recommended later in this report (see Chapter 5 for more detail). This could have the added benefit of being integrated with awareness raising and skills-mapping support for enterprises implemented through sectoral councils (as described in Opportunity 1).

However, Bulgaria will need to carefully consider the design of any piloted sectoral training funds to ensure they yield the expected benefits for enterprises and workers. While government contributions to the funds may increase buy-in from employers, contributions from employers will also be critical to ensure their buy-in, particularly on a sectoral level. Bulgaria will need to get the balance of the cost-sharing arrangement right and could consider requiring smaller contributions from smaller firms in order to engage SMEs who face greater barriers to investing in education and training. Indeed, one challenge of training levies/funds is that large employers tend to benefit disproportionately from training levies at the expense of smaller employers, and that smaller employers may be at more risk of spending money on training without giving it too much thought, which could result in low-quality provision (OECD, 2017[35]). For these reasons, it is desirable to test the concept of sectoral training funds with a well-designed pilot programme before implementing this policy more widely throughout Bulgaria.

Box 3.4. Relevant international practice: Improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

Singapore: The SkillsFuture Credit

Introduced in 2015, the SkillsFuture Credit in Singapore provided all adults aged 25 or over a one-time training credit of SGD 500 (Singapore dollar) (approximately EUR 310) for education and training. The government can then provide "top-ups" to the voucher at various intervals in order to provide additional funding to target groups requiring more support. For example, a one-time top-up of SGD 500 was provided to all Singapore adults aged 25 or over on 31 December 2020. Furthermore, an additional SGD 500 of training credit was provided for older adults aged 40-60. The voucher can be used for formal or non-formal education and training from a list of eligible programmes. While the SkillsFuture Credit is officially not only for acquiring labour-market-relevant skills, most of the eligible courses are indeed in areas that relate to labour market needs.

The SkillsFuture Credit can be used in conjunction with other financial benefits related to adult education and training in Singapore. Furthermore, information and guidance about the SkillsFuture Credit can be accessed on line via a designated portal, through a telephone hotline and at awareness-raising events. This broad approach aims to reach a wider group of individuals, including more vulnerable groups. The fact that at least the basic subsidy is available for every adult helps to raise awareness about ongoing training, increasing the use of the SkillsFuture Credit over time. A survey of the beneficiaries of the SkillsFuture Credit found that 86% indicated they could perform their work better after participating in a training through the SkillsFuture Credit.

Korea: A training consortium pilot programme

As discussed in Box 3.3, Korea launched a pilot programme in 2001 that organised SMEs in the same sectors into TCs. This pilot programme was initiated in response to the fact that Korea had instituted a training levy scheme in the 1990s to which enterprises were mandated to contribute. However, a very low percentage of SMEs (5%) were providing training funded by the levy as opposed to 78% of large enterprises. Therefore, to encourage the greater participation of SMEs in the provision of adult education and training and make better use of the training fund, SMEs in the same sector were organised into TCs, which were each run by two training managers whose role was to carry out a number of functions, including helping member SMEs conduct skills-need assessments, connecting SMEs to education and training providers, planning activities across the enterprises within the TC, and conducting evaluations at the completion of training courses. Beyond increasing the share of SMEs providing training, the pilot programme also served as a proof of concept, and, as a result, the programme was expanded on a national level in 2003. As a result, between 2001, when the programme was launched, and 2007, the number of TCs in Korea grew from 6 to 69, and the number of participating SMEs grew from 1 to 134.

Source: OECD (2019[47]), *Individual Learning Accounts: Panacea or Pandora's Box?*, https://doi.org/10.1787/203b21a8-en; OECD (2017[35]), *Financial Incentives for Steering Education and Training*, https://doi.org/10.1787/9789264272415-en; SkillsFuture (n.d.[52]), *SkillsFuture Credit*, www.skillsfuture.sg/credit.

Recommendations for improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training

Recommendations

2.3 **Expand individual training vouchers, while differentiating support to better target vulnerable groups**. As a first step towards implementing ILAs in Bulgaria, the MLSP should collaborate with NAVET and MES to better design targeted financial incentives for individuals to participate in adult education and training. This can be done by extending the "vouchers for employees" scheme to all employed and unemployed individuals and reducing the co-finance rate for vulnerable groups, such as those with average or below qualification levels, older workers, low-income Bulgarians and individuals in occupations at risk of automation. Furthermore, to ensure the quality and relevance of this training, the list of courses that are eligible for the training vouchers should be from the areas of adult education and training of national and/or regional importance as determined by Recommendation 2.12 below (e.g. green skills, digital skills, etc.) and subject to the quality assurance mechanisms outlined in Recommendation 2.9.

2.4 **Better engage small- and medium-sized enterprises in adult education and training by piloting a sectoral training fund(s), with relatively higher support for smaller-sized enterprises**. Bulgaria should pilot sectoral training funds in one or two sectors in order to raise enterprises' commitment to funding training for workers. Both enterprises and government should contribute to the fund, with smaller contributions from smaller firms. Contributing to the fund could be voluntary for firms in the first instance and, should uptake be low, made mandatory through a levy scheme. A dedicated institution (such as an expanded sectoral council recommended in Chapter 5) should oversee and support the implementation of the pilot, including by monitoring outcomes of education and training.

Opportunity 2: Making education and training more flexible and accessible for adults and employers

Improving the flexibility and accessibility of adult education and training provision is crucial to improving participation in lifelong learning. International evidence supports this, suggesting that flexibility in format and design (e.g. part-time, online, non-formal, micro-credentials) can help overcome time- and distance-related barriers (OECD, 2019[53]). Implementing measures to make adult learning in Bulgaria more flexible and accessible can help individuals fit education and training around personal and work commitments and make lifelong learning accessible to a broader range of people.

Flexibility is important in Bulgaria, where schedule and distance are among the main barriers cited by individuals who want to but do not participate in adult learning. As discussed in the previous section, time constraints are the primary barrier motivated individuals in Bulgaria face in participating in adult learning. Distance is also among the top barriers keeping interested individuals from participating in adult learning and is a greater barrier than in the European Union (21% compared to 16%, respectively) (Figure 3.5). Most training providers are located in cities and municipal centres, which creates a logistical barrier for individuals residing in smaller and more remote locations (European Commission, 2017[10]). Adult education and training opportunities that are flexible in the time, place or form in which they are offered can help to address these barriers.

Shortening and simplifying learning pathways through the recognition of prior learning (RPL) and easing admission requirements can also make adult learning more accessible to a wider range of individuals, encouraging greater participation. Mechanisms for simplifying processes required to participate in relevant adult learning help adults upskill and reskill by personalising learning pathways to fit learners' individual needs and reducing the time individuals need to spend in a training programme (thus addressing time barriers) by allowing learners to concentrate only on addressing their specific skill gaps (OECD, 2021[54]). It is also possible that having one's existing skills recognised can build individuals' buy-in and confidence in the lifelong learning system and encourage them to pursue subsequent lifelong learning opportunities.

Improving the flexibility of adult education and training offers

Providing flexible lifelong learning opportunities such as education and training that is shorter in length, delivered in "bite-sized" chunks, and accessed on demand and/or in convenient places make adult learning more accessible to individuals. These types of learning opportunities may include courses offered on line, on-site at an individual's job, in the evenings or on a part-time basis. It may also include courses or learning opportunities that individuals can participate in at their convenience and their desired pace, as opposed to at fixed times. Furthermore, modular courses or partial qualifications allow learners to divide their learning over a longer period of time while still working towards a higher-level certificate or qualification (OECD, 2019[53]; 2021[54]).

Flexible learning opportunities could help individuals overcome time barriers related to participation in adult learning in Bulgaria. A higher percentage of individuals in Bulgaria (59%) report time constraints than in the European Union on average (41%); this share is among the highest in the European Union, lagging only behind Malta and the United Kingdom (Eurostat, 2016[8]). Furthermore, when asked the main reason for not participating in organised training in the past year, Bulgaria was among a handful of countries for which fitting in training with other commitments was a more prevalent reason not to participate than feeling that training was unneeded (CEDEFOP, 2020[31]). Even though time constraints are a central barrier, employed participants who do participate in adult learning in Bulgaria spend more hours in education and training (420) than in the European Union on average (359) (Eurostat, 2016[8]).

Bulgaria's VETA lays the groundwork for flexible VET for adults. It has provisions that allow for partial qualifications (qualifications for a specific part of a VET profession); allow for flexible forms of vocational training such as distance learning (Article 17); and define the requirements for the validation of prior

learning (NAVET, 2018[55]), which will be discussed in the following section. One of the most flexible opportunities currently available to adult learners is learning towards a partial qualification. Project participants noted that partial qualifications are preferred by many learners because of the shorter time duration, though even these courses generally last for at least six months (World Bank, 2021[18]). As a result, participation in learning leading to partial qualifications has grown (63 400 trainees in 2018 compared to 72 400 trainees in 2021) relative to participation in learning leading to full qualifications, which has declined (26 600 trainees in 2018 compared to 9 700 trainees in 2021) (World Bank, 2021[18]; NAVET, 2022[56]).

Policy makers could further improve and encourage partial qualifications as a flexible form of learning.

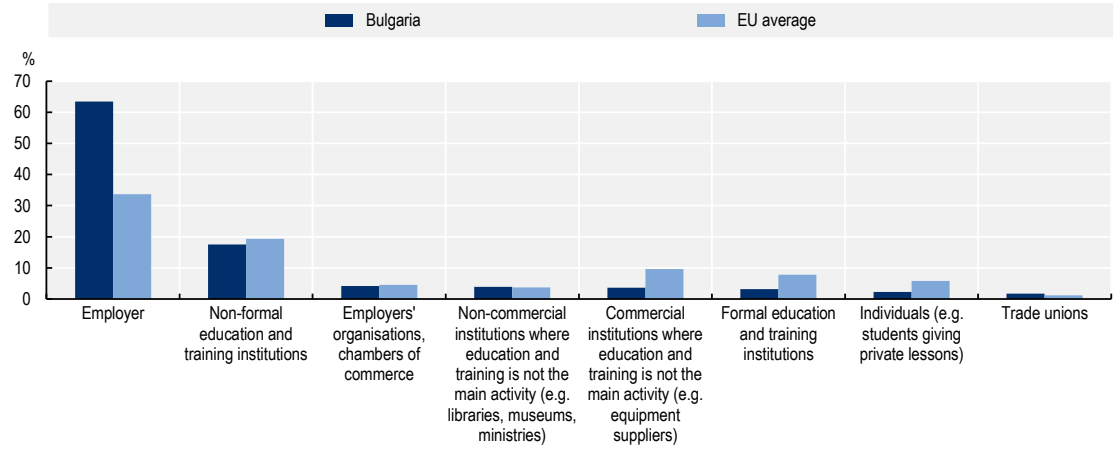
First, partial qualifications could be more widely recognised across professions and institutions to support modular adult learning and individualised learning pathways. Adults' ability to increase their skills and qualifications in Bulgaria is limited because it is difficult to transfer partial qualifications from one learning institution to another or from one field of study to another (World Bank, 2021[18]). These difficulties arise in part due to the rigid structure of the official LPVET, which designates 588 specialities that are organised into 245 professions and 47 professional areas and does not allow for partial qualifications towards one "profession" to be applied to another "profession" (World Bank, 2021[18]; CEDEFOP, 2022[57]). Another factor contributing to the difficulty of transferring partial qualifications is a lack of standard definitions of partial qualifications across different providers (World Bank, 2021[18]). Partial qualifications could be made easier to transfer between institutions and more useful to individuals by strengthening Bulgaria's RPL system, including for partial qualifications, as discussed in Recommendation 2.7.

Second, the quality assurance and funding of partial qualifications could be improved. For example, the content and time requirements of partial qualifications for similar professions are inconsistent between providers because partial qualifications are not currently regulated (World Bank, 2021[18]). This can be a positive characteristic, as it allows for greater diversity and flexibility in partial qualification courses. However, effective external quality assurance mechanisms, such as those described in Recommendation 2.9, can help to ensure that partial qualification courses are of high quality and are recognised by different training providers and employers. Finally, to encourage even greater take-up of flexible courses, partial qualification courses can be included on the list of approved courses for which individuals can redeem the training vouchers described in Recommendation 2.3. Including partial qualification courses on the approved list may, in time, encourage VET schools and colleges to adopt partial qualification courses as well (to date, they are only available in VET centres).

In addition to improving partial qualifications, offering more adult education and training in the workplace can introduce greater flexibility in Bulgaria's adult learning system for both employers and employees. Training during working hours, for example, in the workplace, makes learning accessible to working adults, as it overcomes the time barriers these adults often face to learning in the evenings, on weekends or at learning institutions. Employers in Bulgaria already provide most of the non-formal adult education and training that occurs in the country. The share of non-formal learning provided by employers in Bulgaria (64%) is higher than the EU average (34%) and than in any other EU country (Figure 3.10).

Figure 3.10. Provision of non-formal adult education and training in Bulgaria and the European Union, 2016

Percentage of all non-formal training, by provider



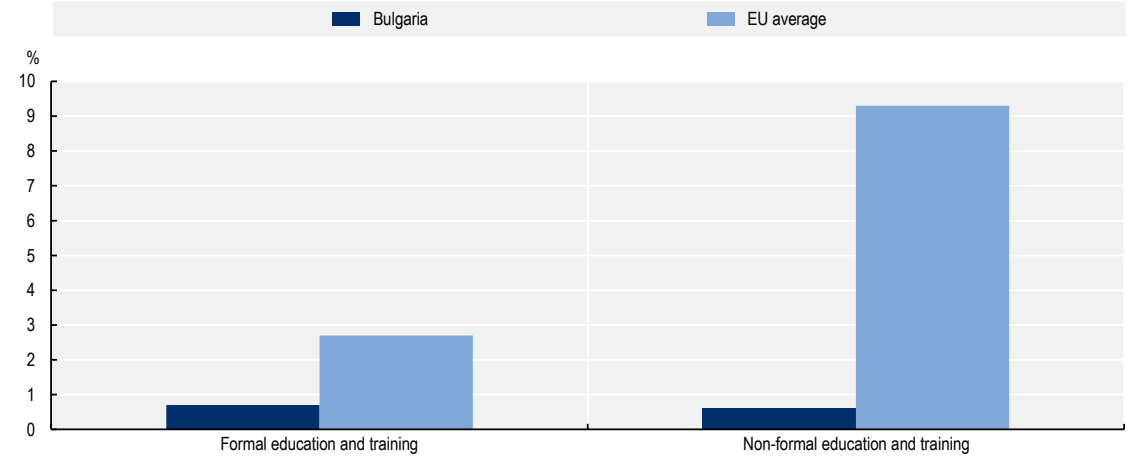
Source: Eurostat (2016[8]), *Adult Education Survey 2016: Distribution of non-formal education and training activities by provider,* https://ec.europa.eu/eurostat/databrowser/view/TRNG_AES_170/default/table.

StatLink https://stat.link/zvdwmu

However, there is still much room to improve the role of employers and the workplace in upskilling and reskilling adults in Bulgaria. Participation in non-formal education and training is low in Bulgaria, even if employers provide a high share of this learning. While Bulgaria has lower shares of employed adults participating in both formal and non-formal education than the EU average, the gap in participation for non-formal education is substantially larger (Figure 3.11). As project participants noted, this is compounded by the requirement that publicly subsidised training (e.g. training delivered under OPHRD funding) be delivered at adult education and training provider premises. As such, training on employers' premises does not receive public funds. Bulgaria could make adult learning more flexible by increasing education and training in workplaces through financial incentives to employers offering on-site training (Box 3.5).

Figure 3.11. Participation rate of employed individuals in formal and non-formal learning in Bulgaria and the European Union, 2021

Participation rate in education and training (last four weeks) for 25-64 year-olds, by type



Source: Eurostat (2021[29]), *Labour Force Survey 2021: Participation rate in education and training (last 4 weeks) by type, sex, age and labour status,* https://ec.europa.eu/eurostat/databrowser/view/TRNG_LFS_11__custom_4117833/default/table?lang=en.

StatLink https://stat.link/dfyzrl

Box 3.5. Relevant international practice: Improving the flexibility of adult education and training offers

Denmark: Modular learning for adults

In Denmark, whether vocational or professional, higher education programmes are offered in a modular format that allows for greater flexibility for adult learners, particularly those employed. Academy education programmes (International Standard Classification of Education [ISCED] 5 out of 8 levels) target working adults with at least two years of work experience who want to learn part-time. Students in the programme can take as many or as few modules as they want at any given time and can complete the programme in up to six years (most commonly, it lasts for two to three years at part-time capacity). Organising an individual course to meet the learner's needs is also an option. The flexible framework also allows learners to combine modules from different disciplines to gain a range of skills that suits their particular job responsibilities. Professional bachelor's and master's programmes can also be taken in a modular fashion, either as one-off educational experiences or building towards a degree. Modular options in higher education are also offered at times that allow maximum flexibility. For example, there are offers in the evenings, on weekends and through remote learning.

Luxembourg: Co-funding of company training

The "co-funding of company training" scheme in Luxembourg provides a subsidy to enterprises to cover up to 15% of an enterprise's annual training costs for enterprises whose employees have fixed- or indefinite-term contracts and pay social security contributions. The subsidy can be used for a number of different types of education and training, including training with a training body (i.e. external training); training delivered to a minimum of two participants by an employee of the company (i.e. structured in-house training); on-the-job training (i.e. internal training); conferences, fairs and exhibitions; self-learning; and e-learning. Furthermore, at least half of the training time for training covered by the subsidy should be scheduled during regular working hours. The subsidy can cover a number of training-related costs, including participants' salaries; internal trainers' salaries; expenses for externally approved training bodies or supplier-trainers; travel, accommodation and subsistence expenses; the costs of training management software; the cost of subscriptions to training bodies and fees paid to an auditor (optional). A greater subsidy is provided for specific employees from vulnerable groups, such as those with low qualifications or older workers. Additionally, enterprises are refunded EUR 500 to compensate them for the cost of applying for the subsidy. The Luxembourg National Institute for the Development of Continuing Vocational Training (INFPC), which manages the subsidy, provides additional training information and support to enterprises that apply for the subsidy.

The co-funding subsidy is available for training in seven focus areas: languages; information technology/office automation; management/human resources management; finance/accounting/law; quality/ISO/safety; technical/core business related; and on-the-job training. However, training that is compulsory by law for regulated professions is not eligible for the subsidy. The subsidy has a cap that varies according to the size of the enterprise, covering up to the value of 20% of payroll for enterprises with under 10 employees, 3% for enterprises with 10-249 employees, and 2% for enterprises with 250 or more employees. In 2018, co-financing of in-company training under the scheme amounted to EUR 35.4 million, benefiting 2 288 enterprises (Observatoire de la Formation and INFPC, 2021[58]).

Source: Danish Ministry of Education (2020[59]), "University of Copenhagen Study Programmes", www.ug.dk/uddannelser/universitetsuddannelser/enkeltfagogdeluddannelserveduni/enkeltfag-og-deluddannelser-koebenhavns-universitet; Danish Ministry of Education (2019[60]), "About Academy Education", www.ug.dk/uddannelser/artikleromuddannelser/omkurserogefteruddannelse/om-akademiuddannelser; OECD (2022[61]), *Good practices in Europe for supporting employers to promote skills development,* www.oecd.org/skills/Good-practices-in-Europe-for-supporting-employers-to-promote-skills-development.pdf; OECD (2023[62]), *OECD Skills Strategy Luxembourg: Assessment and Recommendations,* https://doi.org/10.1787/92d891a4-en.

Online learning could also be expanded in Bulgaria to improve the flexibility of adult learning opportunities. The percentage of individuals in Bulgaria reporting taking an online course or using online learning materials stands at 12%, compared with an EU average of 28% (Eurostat, 2021[28]). Project participants noted that low levels of online learning are driven by a number of factors, including the lack of online learning platforms, resources, and tools; the lack of pedagogical capacity of training institutions; and the inability of these institutions to monitor and control the quality of online training.

One of the biggest and most successful efforts in Bulgaria thus far to address remote accessibility to adult learning is the MyCompetence website managed by the NEA and created in collaboration with the Bulgarian Industrial Association (BIA) with funding provided from the European Social Fund (https://mycompetence.bg/). In addition to providing information on the competencies required for different positions and sectors, tools for competency self-assessment, and the ability to create a "personal profile of a jobseeker," the MyCompetence website offers an array of non-formal online courses for jobseekers and employed individuals alike (though they are free for jobseekers) (Bulgarian Industrial Association, 2014[63]). Courses offered on MyCompetence, which gained traction in the wake of the COVID-19 pandemic, include those on time management and business etiquette, conflict management, the use of decision-making tools, digital competencies, and hiring or leading courses for managers (Bulgarian Industrial Association, 2014[63]). However, the benefits of the shift to more online lifelong learning opportunities are not equally accessible to all because these courses are only available to those with Internet access and sufficient digital skills (OECD, 2019[53]). Furthermore, project participants noted a number of other challenges to the online provision of adult education and training, including the lack of methodological and technological knowledge of online course instructors and the lack of quality assurance mechanisms for online learning.

Bulgaria is making efforts to increase digital learning and skills among adults, which will require effective co-ordination and engagement to be successfully implemented. The "Provision of digital skills trainings and set-up of a platform for adult learning" priority in Bulgaria's National Recovery and Resilience Plan allocates EUR 164.7 million to develop a digital platform for online training for adults (Dobreva and Lilyanova, 2022[64]). Project participants elaborated that, in addition to developing a digital platform, the funding to improve digital skills will go towards tailoring online learning to disadvantaged groups, training instructors in online teaching and developing digital clubs throughout the country. To expand participation in online adult learning in the future, stakeholders involved in skills policy should actively participate in the implementation of these priority areas, ensuring that its implementation is informed by best practices in other countries and lays the groundwork for the smooth expansion of online adult learning in years to come.

A more flexible adult education and training system in Bulgaria can be achieved via a combination of short-term and long-term measures. In the short term, efforts should focus on both increasing flexibility in formal adult education and training by improving the partial qualifications system and by incentivising training for employed adults during working hours, for example, in their workplaces. In the long term, Bulgaria should aim to build on the "Provision of digital skills trainings and set-up of a platform for adult learning" under the National Recovery and Resilience Plan and further increase digital literacy among individuals to make online and blended learning a more widespread method for providing adult learning.

Recommendations

2.5 **Introduce financial incentives for employers to increase employee education and training opportunities during working hours, with higher support for small- and medium-sized enterprises**. To make education and training more accessible and flexible for working adults, the MLSP should dedicate funds for a pilot programme to subsidise the costs to employers of providing education and training to employees during work hours. Funding could be provided to employers directly or via sectoral councils (see Chapter 5) in specific strategic sectors and/or for specific skills (e.g. digital skills). Funding should subsidise training fees and could also subsidise wages during training. Finally, funding should cover more training costs for SMEs than for large enterprises.

2.6 **Support and promote existing flexible adult education and training opportunities, including partial qualification courses**. NAVET, in collaboration with MES and the MLSP, should support increased participation and quality in partial qualification courses. First, they should increase the affordability of partial qualification courses by including them on the list of approved courses for which individuals can redeem training vouchers (related to Recommendation 2.3). Second, they should improve the recognition of partial qualification awards to allow learners to transfer partial qualifications from one learning institution to another or from one "profession" of study to another (related to Recommendation 2.7). Third, they should strengthen the quality assurance of partial qualification courses to overcome the lack of regulation of these courses and build confidence in them among learners and employers (related to Recommendation 2.9). Finally, NAVET, MES and the MLSP should raise awareness about flexible courses, such as partial qualifications and online courses to employers, employed individuals, and education and training providers through holistic career guidance (see Recommendation 2.1) and other existing communications channels, such as business associations, trade unions and sectoral councils (see Chapter 5).

Making learning more accessible for low-skilled adults

Low-skilled adults in Bulgaria and other countries often face greater barriers to participating in adult learning than other adults and may need specific policies to address those needs. One barrier that low-skilled learners face is that they often have had negative experiences with school in the past and are, therefore, hesitant to re-enter a classic school environment (Windisch, 2015[37]). Furthermore, many adults classified as "low-skilled" may have a range of skills they have acquired informally or through experience that have not been recognised in any way (OECD, 2019[65]). Another barrier is that those without basic skills may want to participate in vocational training but lack the necessary skills to qualify for such training or succeed in it.

RPL, or the recognition of prior learning (often called "validation of prior learning" in Bulgaria), is a key tool for encouraging individuals to engage in lifelong learning. RPL is the process by which knowledge and skills acquired through experience, non-formal and/or informal learning are recognised formally (e.g. with a certificate, partial qualification or full qualification). The process of RPL can improve the employability of individuals, make individuals eligible to apply to further educational programmes requiring specific qualifications or skills as prerequisites, or shorten the duration of education and training by exempting individuals from courses or credits toward skills they already possess (OECD, 2021[66]).

RPL is the subject of various laws and strategies in Bulgaria and is a priority for different ministries. The validation of professional knowledge, skills, and competencies is regulated by Ordinance No. 2 of 13 November 2014 on the terms and conditions for validation of professional knowledge, skills and competencies of the Minister of Education and Science. Other regulations on RPL are laid out in the Pre-school and School Education Act and VETA (VINCE, 2019[67]). Furthermore, RPL is a central priority in a number of Bulgarian national strategies, including the National Strategy for Lifelong Learning (2014-2020) and the VET Development Strategy (2015-2020).

The process to obtain RPL in Bulgaria is fairly straightforward in concept but not in practice. RPL in Bulgaria is available for general education and VET, but there is not yet a validation arrangement for higher education (Dzhengozova, 2019[68]). It is currently possible to obtain a full formal qualification or part of a formal qualification in general education and VET through RPL in Bulgaria, which is equivalent to qualifications awarded in formal education institutions and can be used for all the same purposes, including to enrol in further formal education programmes (CEDEFOP, 2019[69]). Validation can be provided by vocational schools, vocational high schools, art schools, sports schools, vocational colleges and vocational training centres (Eurydice, 2022[22]).

The RPL process in Bulgaria has two stages. The first stage involves the institutions providing validation (as listed above) and identifying the skills or competencies of a candidate applying for recognition. For VET, this includes identifying the qualifications required for the relevant profession, comparing the candidate's skills to the qualifications required by the list, verifying that the candidate has these skills through a portfolio, and confirming the candidate's skills through an exam. The second stage of the process involves recognising the candidate's previously acquired skills by awarding the candidate a full or partial qualification (CEDEFOP, 2018[70]). A consultant is assigned to every candidate to serve as a guide through the RPL process. The consultant helps the candidate prepare a portfolio exhibiting relevant competencies for the validation institution and then helps ensure the RPL is formally registered and recognised after it is officially approved (CEDEFOP, 2019[69]).

Bulgaria's existing RPL procedures do have a number of advantages. For example, there is a clear division of responsibilities between relevant actors, such as public institutions and social partners, as well as a requirement that providers of RPL have internal quality assurance systems (CEDEFOP, 2018[70]). Furthermore, Bulgaria developed a Manual for Vocational Schools for Validating Non-formal and Informal Learning, which provides methodological guidelines and practical tools to help make the RPL process easier and more accessible to VET institutions (Box 3.6).

Box 3.6. Relevant national and international practices: Recognition of prior learning

Bulgaria: Guidance for the recognition of non-formal and informal learning – A methodological manual

Under the New Opportunity for My Future (2013-2015) project, implemented by MES in co-operation with NAVET, the Manual for Vocational Schools for Validating Non-formal and Informal Learning was created. This manual provides methodological guidelines and practical tools to aid VET providers in providing RPL services. Tools in the manual include, for example, comparative tables to aid in assessing the competencies of the individual candidate seeking RPL with the competencies outlined in the official LPVET for the relevant vocational qualification. This measure is intended to serve as an internal quality assurance measure for RPL services in Bulgaria, given that there are no external quality assurance measures in place at present.

Guidance for the recognition of non-formal and informal learning: RPL guidelines in Norway

Under Norway's Ministry of Education and Research, the Skills Norway Agency has developed guidelines for RPL for both vocational and higher education institutions. The guides provide background information on relevant European and Norwegian RPL strategies and documents, as well as tools and guides for both RPL candidates and institutions involved in RPL assessment and provision. For the candidate, there are guides on the process and the documentation that must be provided as part of one's application. For those evaluating the applications, there are guides on the various steps of the RPL process and different assessment methodologies. In addition, the agency also provides best practice examples as a guide for entities providing RPL.

Source: CEDEFOP (2018[70]), *NQF Country Report: Bulgaria*, www.cedefop.europa.eu/en/tools/nqfs-online-tool/countries/bulgaria-2018; Dzhengozova (2019[68]), *European inventory on validation of non-formal and informal learning 2018 update*, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Bulgaria.pdf; Kompetanse Norge (2020[71]), *Admission to higher vocational education on the basis of prior learning*, www.kompetansenorge.no/contentassets/58c112900db245a194cccfadfda83fd7/veileder_opptak_til_hoyere___yrkesfaglig_utdanning.pdf; OECD (2021[72]), *OECD Skills Strategy Lithuania: Assessment and Recommendations*, https://doi.org/10.1787/14deb088-en.

While Bulgaria's take-up of RPL has been rising over time, it remains quite low by international comparison (CEDEFOP, 2019[69]). In 2017, only 1% of all VET certificates in Bulgaria were acquired through RPL (Dzhengozova, 2019[68]). Furthermore, RPL has only been used in certain industries, primarily in the areas of real estate, organising ritual ceremonies, childcare and chef/restaurant services (Dzhengozova, 2019[68]; World Bank, 2021[18]). While these findings show that take-up is low, they also indicate significant room to expand the scope of RPL in Bulgaria.

As shown in Table 3.5, Bulgaria's RPL system does meet some good practice principles for validation but falls short in others. Most notably, there is little in place to ensure the quality of the RPL system and validation is not employed to specifically benefit disadvantaged groups in Bulgaria.

Table 3.5. Bulgaria's performance with regard to good practice principles in the validation of prior learning

	Principles on validation	Status of Bulgaria	Notes
1	Validation arrangements in place	Yes	Validation arrangements are in place for basic education, vocational education and training (VET) and adult learning, but not for higher education.
2	Guidance and counselling are readily available	Yes	Each person who applies for validation is assigned a consultant to provide guidance throughout the process.
3	Information and guidance on benefits, opportunities and procedures are available and accessible	Yes	Information is available and free of charge, but services providing information and guidance are under-utilised.
4	Validation arrangements are linked to a national qualification framework (NQF) and in line with the European Qualifications Framework (EQF)	Yes	Validation is linked to Bulgaria's NQF, which aligns with the EQF.
5	Qualifications or parts of qualifications obtained through validation comply with agreed standards that are the same or equivalent to those for qualifications obtained through formal education programmes	Yes	Full and partial qualifications obtained through validation comply with Bulgaria's state educational standards.
6	Provision is made for the development of the professional competencies of validation practitioners	No	Bulgaria has no specific provisions related to the continuing professional development of validation staff.

	Principles on validation	Status of Bulgaria	Notes
7	Transparent quality assurance (QA) measures support reliable, valid and credible assessment methods and tools for validation	No	Ordinance No. 2 requires that providers have internal quality assurance systems for validation, but there are no external QA measures. However, the Manual for Vocational Schools for Validating Non-formal and Informal Learning is a useful tool for QA.
8	Synergies between validation and credit systems exist	Partially	Through validation, credits in VET can be accumulated and transferred between qualifications in the same vocational area according to the list of professions for VET. However, credits cannot be transferred between vocational areas or between VET and higher education.
9	Disadvantaged groups are particularly likely to benefit from validation	No	Disadvantaged groups benefit from validation in general education and basic skills courses, for example, through the New Chance for Success adult literacy programme. One of the primary goals of this programme was to pilot a validation system for non-formal and informal learning for individuals with low literacy levels. However, as of 2019, no validation certificates had been issued as part of the programme.
10	Skills audits are available for individuals who are unemployed or at risk of unemployment	Partially	National Employment Agency advisors carry out informal skills assessments with unemployed persons that could, in theory, be used for validation but are not uniform or linked to state educational standards.
11	EU/national transparency tools are promoted to facilitate the documentation of learning outcomes	No	EU transparency tools such as the Europass or Youthpass are not used in Bulgaria.

Note: The European Union developed these 11 good practice principles for validation of prior learning following a European Union Council Recommendation on validation of non-formal and informal learning in 2012.
Source: OECD assessment based on CEDEFOP (2019[69]), *European inventory on validation of non-formal and informal learning 2018: Final synthesis report*, www.cedefop.europa.eu/en/country-reports/european-inventory-on-validation; Dzhengozova (2019[68]), *European inventory on validation of non-formal and informal learning 2018 update*, http://libserver.cedefop.europa.eu/vetelib/2019/european_inventory_validation_2018_Bulgaria.pdf; World Bank (2021[18]), *Vocational Education and Lifelong Learning in Bulgaria*, www.eufunds.bg/sites/default/files/uploads/opseig/docs/2021-08/EN_VET_LLL_June_22.pdf.

One of the central challenges contributing to the low take-up of RPL arrangements in Bulgaria is the cumbersome administrative and financial burdens it places on individuals and training providers (Dzhengozova, 2019[68]). During consultations, project participants emphasised that these burdens are the main reason RPL is under-utilised in Bulgaria. The validation process can be so long that it sometimes is shorter for individuals to take a new training for the qualification they hope to acquire instead of applying for validation for the same qualification (World Bank, 2021[18]). Similarly, the cost of RPL can be greater for an individual than the cost of enrolling in a training course for the same qualification (World Bank, 2021[18]). This is because public funds often subsidise the cost of full training courses, while the fees for RPL are generally paid by individuals or potentially their employers (the costs are sometimes covered by funds from national or international projects) (Dzhengozova, 2019[68]).

Furthermore, while accredited VET providers can validate prior learning, very few provide such services. Project participants explained that this is due, in large part, to the fact that providing RPL involves lengthy administrative processes on the part of providers and is not financially beneficial to them. The fee charged to individuals (or employers) for acquiring validation of prior learning cannot legally be greater than the cost incurred by an education and training provider (CEDEFOP, 2022[57]). This gives providers little incentive to take on the administrative burdens and provide RPL services as they make no profit.

Second, while RPL is meant to make acquiring qualifications more flexible for individuals, the flexibility of RPL is quite limited in Bulgaria. This is due to the structure of Bulgaria's VET system, where RPL is primarily used. Qualifications in VET in Bulgaria are organised according to the official LPVET, which is updated infrequently. RPL only allows individuals to have skills recognised within the same vocational area as dictated by the LPVET and does not allow for transfer between vocational areas (Industry Watch Group, 2021[41]).

Perhaps the biggest challenge facing RPL in Bulgaria is that employers and individuals seem to have little confidence in the RPL process. Even though an individual with an RPL certificate officially has the same rights as someone with a formal qualification, the certificates from RPL are easily distinguishable from formal education certificates (they have different designs), and because employers are often not well aware of the equal status of RPL certificates, they tend to undervalue qualifications acquired through RPL (CEDEFOP, 2018[70]). Furthermore, this low level of understanding and interest in RPL among employers can act as a disincentive for individuals to participate in RPL and contributes to the fact that there is currently not much trust in Bulgaria in the RPL process and its outcomes, limiting its effectiveness as a tool (Dzhengozova, 2019[68]). Another challenge to raising confidence in Bulgaria's RPL system is a lack of data on the outcomes of individuals who go through RPL. There is also no explicit mechanism for quality assurance of RPL (Dzhengozova, 2019[68]). While improving the validation of prior learning has been raised as a high priority among project participants consulted by the OECD, Bulgaria lacks experience in successfully using RPL to increase adult learning and skills outcomes.

Bulgaria plans to develop more infrastructure around RPL in the coming years. For example, the Human Resources Development Programme (2021-2027) includes provisions to establish centre(s) to validate and certify skills acquired through non-formal and informal learning and improve RPL services. This is intended to improve the skills and employability of vulnerable individuals, particularly those with low education and skill levels (Портал за обществени консултации; see www.strategy.bg/PublicConsultations/View.aspx). Furthermore, the establishment of new infrastructure related to RPL presents an opportunity for Bulgaria to institute a suite of reforms related to RPL to broaden its scope and impact.

Alongside RPL, Bulgaria could encourage the greater participation of low-skilled adults in learning by integrating basic skills learning into other education and training programmes (Box 3.7). It is important to improve literacy and remedial adult education in Bulgaria, where the share of young adults (aged 25-34) with low educational attainment (ISCED 0-2) stands at 18%, surpassing the EU average of 15% (World Bank, 2021[18]). Furthermore, though illiteracy rates country-wide are about 1.3% of the adult population (aged 25-64), 14.1% of Roma in the same age group are illiterate (Baev, 2021[73]). According to existing regulations, individuals in Bulgaria need to have an equivalent of fourth-grade-level literacy to enrol in a CVET programme. During consultations, project participants explained that the admission requirements for participating in CVET courses make learning inaccessible to Bulgaria's most vulnerable groups, the very groups who could benefit most from upskilling and reskilling opportunities. This is particularly important, given that these vulnerable groups are more likely than the general population to face other barriers to participation in adult learning, including living in geographically remote areas far from learning centres, having lower levels of digital skills to access remote learning, and having lower levels of awareness about adult learning opportunities.

The current system in place in Bulgaria for providing remedial support for adults is second-chance literacy courses meant to be delivered through specific adult literacy programmes offered by general education schools (e.g. primary or secondary schools; see Table 3.2). However, Bulgaria's National Statistical Institute (NSI) does not collect data on the number of schools providing second-chance adult courses or on the take-up by adults of these courses, so there is very little known about them, though its share in adult education and training is thought to be marginal (World Bank, 2021[18]). Regarding the content of such courses, second-chance curricula for adults have been developed through various EU-funded projects. In general, public funding for adult literacy and basic skills courses is much lower in Bulgaria, however, than public funding spent on education and training for work-related skills for employed and unemployed individuals. In 2014-20, BGN 19.1 million was spent on adult literacy, compared with BGN 998.5 million on work-related training for employed and unemployed individuals (World Bank, 2021[18]). Given that there is a greater focus in Bulgaria on work-related training than on basic skills, the most realistic and promising way to improve basic skill levels in Bulgaria may be to integrate basic skills into work-related reskilling and upskilling programmes.

Bulgaria's main policy initiative in the area of remedial adult skills was the New Chance for Success programme, which was active between 2016 and 2019 (as it was financed by the OPSESG [2014-2020]) and had the goal of improving the access of illiterate people (a term that was never clearly defined) to basic skills/general education and vocational training. As of 2018, about 90 schools had offered courses under New Chance for Success; by 2019, about 5 500 students had participated in them (the initiative's target was 10 000 students). The programme was also meant to pilot a system of RPL, but no RPL certificates were granted by the end of the programme (World Bank, 2021[18]).

Box 3.7. Relevant international practice: Integrating basic skills into adult education and training

Mexico: The Education Model for Life and Work programme

Mexico's Education Model for Life and Work (Modelo Educación para la Vida y el Trabajo, MEVyT) is a programme that provides basic education for those aged 15 and older. The programme is meant to help individuals close educational gaps and to provide adults with an opportunity to earn a primary or secondary education degree. MEVyT offers learning opportunities in basic literacy skills, numeracy skills, communications, science, citizenship, and business and environmental training.

The MEVyT programme is innovative in that it provides a model of basic education for adults that integrates basic education, such as literacy, with more vocational skills training for adults. It is not intended to be a literacy programme but an integrated part of the country's adult education and training system. Furthermore, the programme is innovative in that learning is modular, allowing for greater flexibility for adult learners. The learners can choose among self-contained modules that can also build on one another towards accreditation in primary or secondary education. Furthermore, the programme also includes modules adapted to reflect the specific linguistic, cultural or social specificities particular to vulnerable groups. Learners can also choose their preferred learning mode, including self-study, in groups in community learning centres or online learning. An evaluation of the programme indicated that 92% of learners were satisfied with the learning modules in MEVyT, and 63% reported occupational advancement as a result of participating in the programme.

Source: OECD (2019[65]), *Getting Skills Right: Future-Ready Adult Learning Systems*, https://doi.org/10.1787/9789264311756-en.

Recommendations for making learning more accessible for low-skilled adults

Recommendations

2.7 **Reform the recognition of the prior learning system for adults to encourage greater uptake of RPL services**. NAVET, MES and the MLSP should collaborate with emerging RPL centre(s) to implement more streamlined and effective RPL processes and to incentivise greater take-up of RPL services, particularly among low-skilled adults. The RPL process should be streamlined by simplifying and shortening the administrative process for both individuals and providers; altering the design of RPL certificates to match other learning certificates; collecting data on RPL outcomes through the data and evidence centre (see Recommendation 5.6 in Chapter 5); and targeting RPL services to specific vulnerable groups, such as low-skilled adults. In addition, to incentivise greater take-up of RPL, subsidies for RPL fees should be provided to individuals, similar to those provided for participation in adult education and training, and grants should be available to adult education and training providers that offer RPL services.

2.8 **Ease access to adult basic education and expand basic education opportunities for learners in other education and training programmes**. MES should make adult basic (primary) education for low-skilled adults available free of charge in a wide range of educational institutions in Bulgaria that provide adult education and training, including general education schools, VET gymnasiums, VET colleges, universities and tertiary colleges, VET centres, and community cultural centres (*chitalishta*). Furthermore, adult basic education should be made more modular and flexible so that learners can combine basic education modules simultaneously with other reskilling and upskilling opportunities. Furthermore, enrolment requirements for CVET should be adjusted to include not only those with a fourth-grade equivalent education level but also those currently enrolled in adult basic education. Furthermore, the government should begin collecting data on participation in adult basic education to inform future policy actions in this area.

Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers

An extremely important aspect of making adult learning attractive to adults in Bulgaria is ensuring that adult learning opportunities are of high quality and teaching skills relevant to Bulgaria's current and future labour market. Boosting the quality of adult education in Bulgaria involves improving quality assurance of the adult learning system, the qualifications of teachers, and the quality of teaching methods used for adults. These have been identified by project participants and reviews of Bulgaria's relevant policies as central challenges to the success of Bulgaria's lifelong learning system. In Bulgaria, dissatisfaction with the relevance of adult learning also represents an obstacle to greater participation in adult learning because if individuals and employers do not see the added value that adult learning will bring to their lives, they will be hesitant to participate.

Improving the quality of adult learning opportunities

To make participating in adult education and training in Bulgaria more attractive to individuals and employers, Bulgaria needs to institute mechanisms to ensure that the education and training offered is of high quality. If adult learning opportunities are of high quality, individuals and enterprises can be more confident that the training will be a worthwhile investment, successfully imparting new or improved skills to participants. An effective quality assurance regime consists of two elements: 1) *ex ante* recognition and certification of adult learning providers (e.g. eligibility standards, curriculum requirements, training plans, etc.); and 2) *ex post* monitoring of learning outcomes (e.g. assessment, monitoring, evaluation, etc.) (Box 3.8). Together, these elements help to ensure that adult learning opportunities and the providers who offer them meet pre-established standards, which help individuals and enterprises have more confidence in the value of adult learning.

Box 3.8. Key elements of a quality assurance system for adult education and training

A quality assurance regime for adult learning includes the following elements:

- ***Ex ante* recognition and certification of adult learning providers:** Introducing quality standards for the recognition, certification and accreditation of adult education programmes and/or institutions.
- ***Ex post* monitoring of learning outcomes:** Tracking adult learners following course completion to assess whether learning opportunities lead to measurable skills gains, for instance, through the use of administrative data and surveys.

Source: OECD (2021[74]), *Strengthening Quality Assurance in Adult Education and Training in Portugal: Implementation Guidance*, www.oecd.org/portugal/Strengthening-Quality-Assurance-in-Adult-Education-and-Training-in-Portugal-Implementation-Guidance.pdf.

It is difficult to assess the quality of adult learning opportunities in Bulgaria because of a lack of relevant evidence for doing so. That being said, there are indications that the quality of adult education and learning opportunities in Bulgaria is not particularly high. The share of individuals in Bulgaria that report that the quality of adult education and training is generally regarded as being good or very good (64%) is lower than the EU average (69%) (CEDEFOP, 2020[31]). While the percentage of individuals in Bulgaria reporting that the most recent adult education or training experience in which they personally participated was "very good" (38%) is quite similar to the EU average (39%), project participants noted that quality is a significant issue and that both individual participants and providers are too often solely concerned with acquiring or providing a certificate, and not necessarily with truly developing skills (CEDEFOP, 2020[31]). In terms of employers, a recent survey conducted by MES found that half of surveyed employers were sceptical about both the quality of vocational training offered by VET institutions and the relevance and benefits of said training (Ministry of Education and Science, 2021[75]).

In Bulgaria, quality assurance of the adult education and training system is overseen by MES, the NEA, NAVET, and the National Accreditation and Evaluation Agency (European Commission, 2017[10]). MES is responsible for ensuring the quality of adult education provided by the formal school system (general and VET schools), while NAVET is responsible for ensuring the quality of adult VET training provided by VET centres. The National Accreditation and Evaluation Agency is responsible for quality in higher education, and the MLSP is responsible for ensuring the quality of adult training organised by the NEA (see Chapter 4). These bodies are currently implementing a limited set of measures to ensure the quality of adult learning opportunities in Bulgaria (Table 3.6).

Table 3.6. Bulgaria's main processes and actors for quality assurance in adult education and training

Strategy/policy/programme	Responsible ministry/actor	Description
Documents (procedure) for developing state educational standards	National Agency for Vocational Education and Training (NAVET)	The state educational standards (SES) are mandatory for the vocational education and training (VET) system. They are the basis for the development of VET curricula (for both students and adult learners). SES are developed by an author team with representatives of educational institutions and business. They go through an independent review by two external experts and a review procedure at a meeting of the Expert Commission. The Expert Commission includes representatives of key state institutions, representatives of employers and trade unions in the professional field. After the approval of a meeting of the Expert Commission, the SES project is presented at a meeting of the Management Board of NAVET, after which it is sent to MES for public discussion and approval by the Ordinance of the Minister of Education and Science.
Partnerships between employers and VET institutions	VET institutions	These partnerships encourage the interaction between business and education in the development of curricula, practices, training teachers to work with modern technologies, providing internships and training through work.
Quality assurance for general and VET schools in which adults learn	Ministry of Education and Science (MES)	MES is more responsible for quality assurance mechanisms in the formal school system.
Accreditation of VET centres	NAVET	NAVET licenses VET centres and controls the quality of the qualification courses.
Accreditation of higher education institutions	The National Agency for Assessment and Accreditation, MES	The National Agency for Assessment and Accreditation accredits higher education institutions. MES is more broadly responsible for accreditation.

Source: Government of Bulgaria (2022[13]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

In terms of *ex ante* recognition and certification of providers, NAVET is responsible for licensing vocational training institutions for individuals aged 16 and older and for licensing centres for information and vocational guidance. NAVET is also responsible for developing the LPVET and the SES for acquiring qualifications by professions that are referenced to determine licensing. In addition, alt education and training is linked to Bulgaria's NQF, which helps to ensure quality standards (European Commission, 2017[10]).

Ex post monitoring of adult education and training learning outcomes is an area that requires significant improvement in Bulgaria. While some assessment mechanisms are in place, they are not fully functional and/or comprehensive. For example, VETA dictates that a quality assurance methodology should be developed for VET schools, which include adult learners, but this has not yet taken place (World Bank, 2021[18]). VET centres are required to submit annual self-assessment reports to NAVET, and these self-assessments are summarised by NAVET and reported to the NAVET Governing Board. However, these self-assessments are not complemented by any external assessment measures (Government of Bulgaria, 2022[13]). Furthermore, while VETA recommends that the quality of adult education and training be assessed by a three-pronged panel involving representation from government, employers, and training providers, project participants noted that this is not a requirement and usually does not happen in practice.

Two recent pilot programmes in Bulgaria have begun to test systems for tracking the outcomes of VET graduates, including adults. First, the "On track" programme provides a model for VET providers to track the outcomes of their own graduates. Second, the "EQAVET: Vireo2" pilot programme (under Erasmus+) uses administrative data to follow key indicators of VET graduates. Both of these programmes receive EU funding. However, there is still no systematic approach to nationwide data collection on adult graduate outcomes (World Bank, 2021[18]).

Beyond perceptions of the quality of the system, there are a number of indications that the quality of teaching by adult learning trainers could be improved in Bulgaria. There is currently no required initial or continuing professional development for adult learning trainers to render them qualified to specifically teach adults (World Bank, 2021[18]). Furthermore, a recent survey found that inadequately prepared adult education trainers is one of the main factors lowering the quality of adult training (Hristova et al., 2022[50]). Despite the occasional good practice when it comes to training trainers (Box 3.9), there are no systemic plans in place to address adult education trainers' low qualifications and capabilities. In addition, there are currently no mechanisms to monitor or evaluate the quality of teaching in adult education and training in Bulgaria (Industry Watch Group, 2021[41]).

Project participants expanded upon these findings. They explained that there are no requirements for those providing adult training other than having a university degree in the field being taught. That is, there are no requirements that they have any training in teaching more generally or training in teaching adults specifically. They noted that there are very few educational programmes in Bulgaria that provide qualifications in andragogy (the teaching of adults). Furthermore, teaching aids, such as textbooks, and teaching infrastructure, such as classrooms, are not adapted to adult learners.

Therefore, many opportunities remain to better understand and improve the quality of adult learning in Bulgaria. These include monitoring the outcomes of adults who complete education and training; taking steps to independently assess the quality of existing programmes and to publicise the results of these assessments; and implementing measures to improve the quality of teachers and teaching aides for adult education programmes (Box 3.10).

Box 3.9. Relevant national practice: Improving the quality of adult learning opportunities

Bulgaria: The Bulgarian-German Vocational Training Centre State Enterprise (BGVTC)

The BGVTC, in addition to providing training courses for employed and unemployed individuals, also provide "train-the-trainer" courses to improve the qualifications of adult education and training instructors. The centres have provided training and methodological support to about 900 adult education and training instructors, which include teachers in VET schools, instructors in VET centres and instructors and apprenticeship mentors in enterprises. This initiative is connected with the implementation of dual training, mentoring within apprenticeships, practice training, traineeship and the introduction to work of newly hired persons.

Source: Digi-Ready (2022[76]), *Bulgarian-German Vocational Training Centre State Enterprise*, https://digi-ready.eu/consortium_bgcpo.

Box 3.10. Relevant international practice: Improving the quality of adult learning opportunities

Slovenia: The Institute for Adult Education (ACS)

The ACS in Slovenia has developed a framework for evaluating the quality of adult education and training that consists of both internal and external monitoring methods, including a detailed model for self-assessment, internal quality counsellors, external expert evaluations, peer reviews and an award of the "green quality logo" to well-performing providers.

Adult education and training providers in Slovenia are legally required to undertake self-evaluations but are provided with a number of tools to help them do this well. For example, the ACS developed the Offering Quality Education to Adults model for self-evaluation that includes guidance on self-evaluation planning, methodological support for evaluating data, and support to develop measures for improvement as a result of the evaluation. ACS also provides adult education quality indicators that are relevant for both formal and non-formal adult education that can be used as a resource for providers when conducting self-assessments and can also be used for external evaluations. Another resource ACS offers is the Quality Mosaic online portal with self-assessment good practices, tools and guidelines, which also serves as a resource to providers.

External evaluation of adult education and training in Slovenia is done by external evaluation teams that include ACS staff, technical experts and adult education experts. The Evaluation Team analyses the provider's self-evaluation, conducts an on-site visit and prepares an external evaluation report. In addition, if providers meet a list of eight self-assessment quality standards, they are awarded a "green quality logo" by ACS, which serves as a public marker of excellence for the training provider.

Austria: The Academy of Continuing Education

The Academy of Continuing Education (WBA) in Austria offers RPL for adult educators, guidance for acquiring any missing skills, and two types of accreditation to standardise and professionalise the quality of adult education trainers in the country.

As the first step in the process, adult educators submit evidence of their existing competencies and practical experience. Practical experience working in adult education and training is required to receive WBA accreditation. The WBA then assesses these documents and proof of competencies based on standards they have developed from qualification profiles. Wherever competencies are lacking, the WBA refers candidates to relevant courses offered by other adult education providers (the WBA does not offer training programmes to adult educators) to fill in the gaps. Finally, the WBA accredits the skills of adult educators through two types of awards: a certificate of basic competencies in adult education and a more high-level diploma in adult education in a specific field. This allows adult education trainers to receive accreditation in adult education while recognising the relevant competencies they have built through their work and teaching experience. It also creates country-wide standards for adult education trainers without instituting strict training requirements that could discourage trainers from teaching in adult education. Furthermore, certification from the WBA can have the added benefit of serving as a quality assurance signifier to adult learners.

Source: OECD (2021[74]), *Strengthening Quality Assurance in Adult Education and Training in Portugal Implementation Guidance*, www.oecd.org/portugal/Strengthening-Quality-Assurance-in-Adult-Education-and-Training-in-Portugal-Implementation-Guidance.pdf; OECD (2021[77]), *Improving the Quality of Non-Formal Adult Learning: Learning from European Best Practices on Quality Assurance*, https://doi.org/10.1787/f1b450e1-en; Austrian Academy of Continuing Education (2022[78]), *Austrian Academy of Continuing Education*, https://wba.or.at/de/english/about-us.php; Eurydice (2022[79]), *Austria: Institutions,* https://eurydice.eacea.ec.europa.eu/national-education-systems/austria/institutions#WBA.

Recommendations

2.9 **Strengthen *ex ante* assessment of adult learning providers and develop a system for independent, *ex post* monitoring and assessment of adult learning quality and outcomes**. NAVET should strengthen *ex ante* assessment of adult learning providers by, for example, establishing quality labels and providing them to adult education and training providers that exceed minimum certification requirements. NAVET should further establish an *ex post* assessment process of adult learning providers, including those only providing partial qualifications (see Recommendation 2.6) with an external evaluation team. NAVET, in collaboration with MES and training providers, should collect relevant data on graduate outcomes from VET schools and centres and individuals who go through the RPL process to better monitor the quality of adult education and training. The data should be used to guide learners toward quality providers and to create healthy competition among providers in order to ensure the supply and take-up of high-quality and relevant adult education and training (see Recommendation 2.12).

2.10 **Strengthen initial and continuing professional development for adult learning trainers**. MES, in collaboration with NAVET, should encourage the upskilling of adult educators through a combination of policy measures, including subsidising costs for adult education and training instructors to participate in training in andragogy and raising awareness about these subsidised courses among education and training providers. In addition, softer support should be offered to trainers and adult education and training providers on how to best instruct adults, including information, guidance, peer-learning opportunities, and sharing best practices.

Making adult learning more relevant to learners' and labour market needs

One of the central reasons that individuals participate in adult education and training programmes is to make their skills more labour-market-relevant and improve their employment prospects. This is even more important as global trends, such as automation and globalisation, are rapidly changing the skills required in labour markets. In addition, certain occupations are likely to become less prevalent in Bulgaria in the coming years, such as skilled agriculture, while others are expected to expand, such as service industry jobs (CEDEFOP, 2020[80]). Furthermore, the rapid introduction of new technologies during the pandemic has likely hastened automation and job polarisation. This is compounded in Bulgaria, where the population is declining rapidly due to low fertility and high migration rates, further challenging the supply of skills. For these reasons, it will be critical for adults in Bulgaria to upskill and reskill in order to meet evolving labour market needs.

One reason that participation in adult learning in Bulgaria might be low is that the education and training offered is not perceived as relevant to the needs of employers. This is despite the fact that collaboration between employers and adult education and training providers to create greater alignment between adult learning outcomes and labour market needs has improved. It is a central objective of the National Strategy on Lifelong Learning (2014-2020) and has been given greater prominence in this and other more recent strategies than in previous lifelong learning strategies (World Bank, 2021[18]). As discussed above, 20.2% of Bulgarian individuals report that they do not participate in adult learning because there is no suitable offer for education or training, a slightly higher share than their peers in the European Union (18.6%) (Eurostat, 2016[8]). Meanwhile, among enterprises in Bulgaria, the gap is substantially larger: 20% attribute not providing training to a lack of suitable CVT courses, compared to an EU average of 14.4% (Eurostat, 2020[32]). Recent Bulgarian surveys show that most employers in Bulgaria see the adult VET offerings as

outdated and out of touch with technological advancements (Ministry of Education and Science, 2021[75]; Hristova et al., 2022[50]). Local experts have also found training materials used in adult education and training not relevant to the needs of participants (Hristova et al., 2022[50]).

To align adult skills with labour market needs, the following conditions need to be met: 1) adult education and training programmes need to be responsive to current skills needs and aware of changing needs in the future; 2) participants and providers of adult education and training need to be incentivised to participate in and provide courses that teach labour-market-relevant skills; and 3) systems should be put into place to regularly assess and adapt policies as skills demands change (OECD, 2019[38]). All three of these areas are in need of improvement in Bulgaria (the first is discussed primarily in Chapter 4 on skills imbalances, and the latter is discussed primarily in Chapter 5 on the governance of Bulgaria's skills system). Thus, the present discussion is concerned with incentivising participation in and provision of adult education and training opportunities that impart labour-market-relevant skills.

Adult learning opportunities in Bulgaria can be made more responsive to current and future labour market needs by involving employers in the design of adult education and training programmes. VETA lays out a framework in which employers' organisations in Bulgaria play a role in ensuring the relevance and quality of the training provided. In theory, VETA envisions interaction between business and vocational education and training institutions in the development of curricula, practices, training of teachers to work with modern technologies, and providing internships and training through work. However, even though this role is described in VETA, project participants noted that the involvement of employers in designing these elements of adult education and training is very limited in practice. Bulgaria already plans to establish sectoral councils under the new operational programme, "Education" (2021-2027). The role of these councils will include forecasting labour market needs at the sectoral and regional levels and supporting partnerships between vocational schools and employers (see Chapter 5, Box 5.2). Establishing sectoral councils, as well as incentivising collaboration, such as in the Trakia Economic Zone in Bulgaria (Box 3.11), can help to steer adult education and training programmes to teach knowledge and skills that will help adults become more qualified for the jobs that exist in their region and/or sector.

Box 3.11. Relevant national practice: Making adult learning more relevant to learners' and labour market needs

Bulgaria: The Trakia Economic Zone (TEZ)

TEZ unites 6 industrial zones in the region of Plovdiv (the second-biggest city in Bulgaria) and incorporates 180 companies with over 30 000 employees. In 2016, an Educational-Industrial Board was established in TEZ to bring together policy makers, businesses and providers in the area to ensure the relevance of education more generally to changing labour market needs. The board was created as the result of collaboration between MES, the Plovdiv Municipality, TEZ and the Bulgarian think tank, Industry Watch Group.

In 2019, TEZ established a specific VET centre called TrakiaEDU to reskill and upskill employees in the companies that are part of the economic zone with skills specifically relevant to the industries located in TEZ, as well as training courses that teach transferrable soft skills. The VET centre was developed in partnership between TEZ, six local VET schools, seven municipalities, the Regional Department of Education and the regional governor.

Source: Trakia Economic Zone (n.d.[81]), *Trakia Economic Zone,* https ://tez.bg/.

Incentivising more adults to participate in existing labour-market-relevant programmes is another way to meaningfully improve the relevance of adult skills in Bulgaria. A few of the subsidies currently available to individual adult learners in Bulgaria target specific types of skills (e.g. web programming, foreign languages, etc.; see Table 3.3), but there is no mechanism for providing different levels of subsidies to individuals depending on the labour market relevance of the programmes in which they are participating, a fact that project participants flagged as important.

Furthermore, the system currently in place to promote labour market relevance in education and training does not sufficiently cover adult education and training. In 2016, MES developed a scheme to encourage enrolment in VET schools and higher education institutions in areas of study where labour market demand was high but enrolments were low ("priority professional fields"), as well as areas of study the ministry determined to be of national strategic importance ("protected specialities"). MES scheme provides financial incentives (e.g. funding study places, providing scholarships, exempting tuition for students, etc.) to encourage students in secondary VET and higher education to enrol in areas of study that are "protected specialities" or "priority professional fields" (World Bank, 2021[18]). However, no similar system exists to increase the labour market relevance of the provision of adult education and training (which primarily takes place in VET centres) or the labour market relevance of adult learners' education and training choices (Box 3.12). Improving the collection of skills data (as discussed in Chapter 5) can help inform a list of priority skill areas to be applied to adult education and training.

With regard to the provision of adult education and training in Bulgaria being more responsive to the specific needs of individual adult learners, it is very difficult to design or provide individualised learning pathways for adult learners because there is a lack of data about learners' needs and expectations (World Bank, 2021[18]). As part of developing a system of monitoring adult education and training participant outcomes, as outlined in Recommendation 2.9, it would be important to collect data to inform greater individualisation of adult learning pathways.

Box 3.12. Relevant international practice: Making adult learning more relevant to learners' and labour market needs

Australia: Incentivising labour-market-relevant adult learning

In VET provision in certain states in Australia, such as Queensland, study programmes are classified into "Priority One," "Priority Two," and "Priority Three" categories based on how much they contribute to strategic directions for the country. The cost of training in these areas is subsidised accordingly, with more subsidy provided for VET provision in "Priority One" (100%) than in "Priority Two" (87.5%) and more so in "Priority Two" than in "Priority Three" (75%). The classification into priorities is based on annually updated national and state data reflecting skills needs and shortages.

Furthermore, a similar model, called the Commonwealth Grant Scheme, is used for higher education institutions in Australia, where funding provided to higher education institutions varies based on the field of study provided. Fields of study in higher education are grouped into eight funding clusters based on their labour market relevance. There are then different subsidy levels associated with each funding cluster.

Source: OECD (2017[35]), *Financial Incentives for Steering Education and Training*, https://doi.org/10.1787/9789264272415-en.

Recommendations for making adult learning more relevant to learners' and labour market needs

Recommendations

2.11 **Increase the involvement of employers in the design of adult education and training programmes**. MES, the MLSP and the Ministry of Innovation, in collaboration with NAVET, should incentivise greater collaboration between employers or employers' organisations and adult education and training providers in designing education and training programmes relevant to employers' skills needs. This can be done by establishing dedicated structures, such as sectoral councils (see Chapter 5) and/or regular meetings of employers with VET centres, VET colleges, higher education institutions and other adult education and training providers. These local stakeholders should be brought together to discuss local skills needs and the learning programmes that should be expanded or created to meet these needs.

2.12 **Develop a list of prioritised areas for adult education and training to inform differentiated public subsidies for adult learners in areas of skills shortages and/or of strategic economic importance**. The MLSP, MES and NAVET should establish a list of prioritised areas of adult education and training of national and/or regional importance. Evidence to inform the list should include the skills assessment and anticipation outlined in Chapter 5, current employment forecasting projections and the list of "protected specialities" and "priority professional fields" used to determine financial incentives in secondary education. In addition, Bulgaria should increase the value of existing training vouchers (see Recommendation 2.3) for learning opportunities in areas of skills shortages and/or of strategic economic importance. Thus, the value of training vouchers should differ based on learner characteristics and the relevance of training programmes to skills needs. The list of priority areas should be updated to ensure its continued relevance. However, it should be stable over the medium term (e.g. for a three-to-five-year period) to ensure that institutions have enough time to invest in developing programmes that meet labour market needs.

Summary of policy recommendations

Policy directions	High-level policy recommendations
Opportunity 1: Increasing motivation among adults and employers to participate in adult learning	
Improving non-financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	2.1 Strengthen holistic career guidance services for employed adults by expanding the capacity and quality of information and guidance centres. 2.2 Strengthen support to employers to assess their skills and training needs.
Improving financial mechanisms to increase motivation among individuals and employers to participate in adult education and training	2.3 Expand individual training vouchers, while differentiating support to better target vulnerable groups. 2.4 Better engage small- and medium-sized enterprises in adult education and training by piloting a sectoral training fund(s), with relatively higher support for smaller-sized enterprises.
Opportunity 2: Making education and training more flexible and accessible for adults and employers	
Improving the flexibility of adult education and training offers	2.5 Introduce financial incentives for employers to increase employee education and training opportunities during working hours, with higher support for small- and medium-sized enterprises. 2.6 Support and promote existing flexible adult education and training opportunities, including partial qualification courses.
Making learning more accessible for low-skilled adults	2.7 Reform the recognition of the prior learning system for adults to encourage greater uptake of RPL services. 2.8 Ease access to adult basic education and expand basic education opportunities for learners in other education and training programmes.

Opportunity 3: Improving the quality and relevance of adult education and training for adults and employers	
Improving the quality of adult learning opportunities	2.9 Strengthen *ex ante* assessment of adult learning providers and develop a system for independent, *ex post* monitoring and assessment of adult learning quality and outcomes. 2.10 Strengthen initial and continuing professional development for adult learning trainers.
Making adult learning more relevant to learners' and labour market needs	2.11 Increase the involvement of employers in the design of adult education and training programmes. 2.12 Develop a list of prioritised areas for adult education and training to inform differentiated public subsidies for adult learners in areas of skills shortages and/or of strategic economic importance.

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Annex 3.A. Individual learning schemes

Box 3.A.1. Individual learning schemes

This report discusses a number of different forms of individual learning schemes (ILS), including those outlined below. A common characteristic across individual learning schemes is that the benefit is linked to individuals, as opposed to providers, and is not dependent on the individual's employment status.

While most individual learning schemes implemented across OECD countries are called "individual learning accounts" (ILAs), in practice these ILAs encompass a number of different types of individual learning schemes, with the most frequently implemented scheme being voucher schemes.

Individual learning accounts

Individual learning accounts are "virtual" accounts in which training rights are accumulated over time. The accounts are virtual because the resources in them are only activated if and when an individual undertakes education or training.

Individual savings accounts for training

Individual savings accounts for training are physical savings accounts in which individuals accumulate funds over time that can be used for education and training later. In some cases, employers and public authorities may also deposit funds in these accounts. Funds that are not used for training are owned by the individual and, in some cases, may be used for other purposes.

Training vouchers

With training vouchers, individuals receive direct subsidies for participating in education and training, which often require co-funding by the education or training participant. Training vouchers usually do not allow for rights or resource accumulation over time.

Time accounts

Time accounts allow individuals to accumulate time, rather than money, to be used towards education and training at a later point. The accumulated time can be linked to overtime hours.

Source: OECD (2017[35]), *Financial Incentives for Steering Education and Training*, https://doi.org/10.1787/9789264272415-en; OECD (2019[47]), *Individual Learning Accounts: Panacea or Pandora's Box?*, https://doi.org/10.1787/203b21a8-en.

4 Using skills effectively in the labour market and at work in Bulgaria

Using skills effectively in labour markets and at work benefits individuals, employers and the economy. This chapter assesses how Bulgaria could better use people's skills more effectively to support the country in achieving its economic and social objectives. It also describes and assesses Bulgaria's current policies and practices to support skills use in the labour market and at work. It then explores three opportunities for improvement, namely: 1) activating the skills of vulnerable groups in the labour market; 2) fostering return emigration and skilled immigration; and 3) supporting enterprises to utilise workers' skills more effectively.

The importance of using skills effectively in the labour market and at work

Using skills effectively in labour markets and at work benefits individuals, employers and the economy. Bulgaria should strive to use people's skills effectively in order to realise the full potential benefits of its investments in developing its youths' skills (as discussed in Chapter 2) and improving its adults' skills (as discussed in Chapter 3). In Bulgaria's case, using people's skills more effectively can happen across various dimensions: activating its working-age population's skills; attracting return migrants' and skilled immigrants' skills; and utilising workers' skills effectively at work.

The benefits of developing skills will be maximised only if policies also support people to supply their skills in the labour market. Since joining the European Union (EU), Bulgaria has faced great pressure to activate the population's skills due to significant skills shortages. The coronavirus (COVID-19) pandemic heightened the urgency of effective skills activation policies, especially for youth, low-paid workers, employees in non-standard employment and women. Countries can activate people's skills in the labour market through various policy levers, including: active labour market policies (ALMPs), which aim to train people and/or connect them to jobs; wage and taxation policies that incentivise work; subsidised care for children and older people (to free people up to work), among others.

Making the most of skills and minimising skills imbalances in Bulgaria's economy also requires effective policies to foster the return emigration of Bulgarian nationals and the skilled immigration of foreign nationals. Bulgaria has experienced substantive emigration since the end of the 1980s, particularly since 2014 when its citizens were free to work in EU member states without work permits. This trend has shrunk the labour force and contributed to chronic labour shortages in the country. However, recent studies suggest that labour migration can also bring positive effects for the sending countries. Indeed, Bulgarian emigrants acquire new experiences and values, develop new networks and learn new skills while working abroad. Foreign skilled immigrants can bring similar benefits, especially for priority sectors and those facing shortages. High-skilled returning emigrants and immigrants can transfer technology, social capital, new management, leadership and governance skills and bring new market opportunities (Misheva, 2021[1]). Fostering return emigration and skilled immigration can help reduce skills imbalances and drive the country's economic growth.

Finally, realising the benefits of skills development also requires that workers' skills are used effectively at work. The effective use of skills (see Box 4.9 for definitions) positively affects the performance of employees. For instance, studies using data from the OECD Survey of Adult Skills (a product of the OECD Programme for the International Assessment of Adult Competencies, PIAAC) demonstrate that a higher intensity of skills use in workplaces is associated with higher job satisfaction, wages and productivity (OECD, 2016[2]) (OECD/ILO, 2017[3]). Consequently, this has many benefits for employers (e.g. businesses that more effectively use the skills of their workers have, on average, higher output and are more innovative), as well as the broader economy and society. The organisation of workplaces is arguably the most important determinant of skills use. Practices known to positively affect the performance of employees and businesses are referred to as high-performance workplace practices (HPWPs). These include work flexibility and autonomy, teamwork and information sharing, training and development, career progression and performance management (see Box 4.9 for definitions).

Overview and performance

Overview of Bulgaria's governance arrangements for using skills effectively

A range of major strategies and policies in Bulgaria cut across (and directly or indirectly influence) the various dimensions of skills use mentioned above – skills activation, return emigration and skilled immigration and skills use at work (Table 4.1). Bulgarian strategies and policies that are related to only

one of these dimensions are discussed in the associated section of this chapter (see Opportunities 1-3 below). The main piece of cross-cutting legislation in this area is the Employment Promotion Act, which regulates employment, vocational training, Bulgarian citizens working abroad and foreign citizens working in Bulgaria. The main strategic document is the Employment Strategy (2021-2030) and associated annual plans, which define priorities, actions and measures related to skills activation, and migration to a lesser extent. Overall, these strategies and policies focus minimally and indirectly on the issues of skills use and HPWPs within workplaces.

Table 4.1. Bulgaria's main strategies and policies that cut across the dimensions of skills use

Major strategy/policy	Responsible ministry/actor	Description
National Development Programme (NDP) Bulgaria 2030	Council of Ministers	The NDP is the main strategic policy document in Bulgaria. Part 1 covers education and skills and includes several measures to improve the skills of disadvantaged groups of adults.
Employment Strategy of the Republic of Bulgaria (2021-2030)	Ministry of Labour and Social Policy (MLSP)	This strategy aims to increase the quantity and quality of employment in Bulgaria. It includes priorities and actions related to activating the skills of out-of-work adults from disadvantaged groups, targeting Bulgarians living abroad, and to a lesser extent, aiming to improve human resource practices and working conditions within enterprises.
Partnership Agreement of the Republic of Bulgaria outlining assistance from the European Structural and Investment Funds (ESIF) for the period 2014-2020	Council of Ministers	ESIF aim to stimulate measures to: 1) facilitate access to work and improve working conditions and the quality of jobs; 2) reconcile family and working life by finding new forms of work-life balance; and 3) enable older workers to remain longer in the labour market.
Operational Programme for Human Resource Development (OPHRD) (2014-2020)	MLSP	The OPHRD (2014-2020) had two overall goals: boosting employment and reducing social exclusion; and reducing poverty levels. It aimed to foster employment by focusing on disadvantaged groups, improving public employment services, and improving social inclusion.
Operational Programme for Human Resources Development (OPHRD) (2021-2027)	MLSP	The OPHRD (2021-2027) focuses strongly on improving the skills of the Bulgarian population. It provides an entire objective to improve the skills of vulnerable people and their inclusion in the labour market. It proposes a few interventions related to return migration and skilled immigration.
Employment Promotion Act	MLSP	This law regulates social relations in employment, vocational training and Bulgarian citizens working abroad or foreign citizens working in Bulgaria. It includes various dispositions targeting vulnerable groups.
National Action Plan on Employment (NEAP) 2022	National Employment Agency (NEA)	NEAP is the annual plan for implementing the Employment Strategy of the Republic of Bulgaria (2021-2030). Its objective is to create conditions to reduce imbalances in the labour market. It seeks to support unemployed persons to keep or improve their jobs through acquiring new skills and/or efficiently transitioning to new jobs. The plan prioritises disadvantaged groups in the labour market and promotes employment through policies to subsidise employers' labour costs.
Action Plan of the Employment Agency 2022	NEA	The Action Plan aims to reach the objective of NEAP. Its vision is an employment agency that is a new generation intermediary, technologically and professionally adapted to the dynamics and challenges of the market and the needs of job seekers and job providers.

Source: Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

A range of actors in Bulgaria have roles and responsibilities that cut across skills activation, return emigration and skilled immigration, and skills use and practices at work (Table 4.2). Bulgarian actors who have responsibilities in only one of these dimensions are discussed in the associated section of this chapter (see Opportunities 1-3 below). The Ministry of Labour and Social Policy (MLSP) and its agencies – the National Employment Agency (NEA) and the Social Assistance Agency – have the main responsibilities for developing and implementing policies related to skills activation, and to a lesser extent, return emigration and skilled immigration. Social partners, enterprises and workers play a shared role in determining workplace conditions and practices, which affect both skills activation in the labour market and skills use at work.

Table 4.2. Bulgaria's main actors with cross-cutting roles and responsibilities for skills use

Actor	Roles/responsibilities
Ministry of Labour and Social Policy (MLSP)	The MLSP elaborates, co-ordinates and implements the state policy of employment promotion. In order to match labour force supply and demand, the MLSP conducts research and elaborates forecasts of employers' labour force needs in terms of qualifications and skills and activates people's skills by providing a range of services to those inside and outside the labour force, including activation, motivation, guidance, information, training to acquire qualifications and skills in demand, and mediation services to connect people with employers.
National Employment Agency (NEA)	The NEA is an executive agency to the MLSP for the implementation of the government policy on employment promotion. It conducts policies that aim to improve employment in Bulgaria, especially focusing on vulnerable groups and individuals and on integrating recently arrived individuals in the labour market. The NEA's functions include registration of unemployed persons and job vacancies, employment mediation services, providing measures for employment and training aimed at designated groups of unemployed individuals, and analysing and monitoring supply and demand in the labour market, among others.
Social Assistance Agency	The Social Assistance Agency administers the payment of social assistance and other benefits to people who need income support. It provides a range of family-related, energy-related and health-related benefits to eligible individuals, targeting the poorest individuals, those with disabilities and others. The Social Assistance Agency and the NEA work closely together at the local level, including on outreach to inactive and unemployed people. The Social Assistance Agency commonly redirects inactive persons wishing to file for social assistance to the NEA in order to permit them to register with the NEA and receive specific support.
Social partners (employer and employee representatives) and employers	Employer associations and trade unions have a role in negotiating and setting working conditions (wages, job security and flexibility, leave and training rights, etc.). Employers, workers and social partners each have a role in determining workplace practices, including high-performance work practices. All of these settings can affect the attractiveness of work in Bulgaria, for residents and migrants alike.

Source: Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*; OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria, Connecting People with Jobs*, https://doi.org/10.1787/7b91154a-en.

Bulgaria's performance in using skills effectively in the labour market and at work

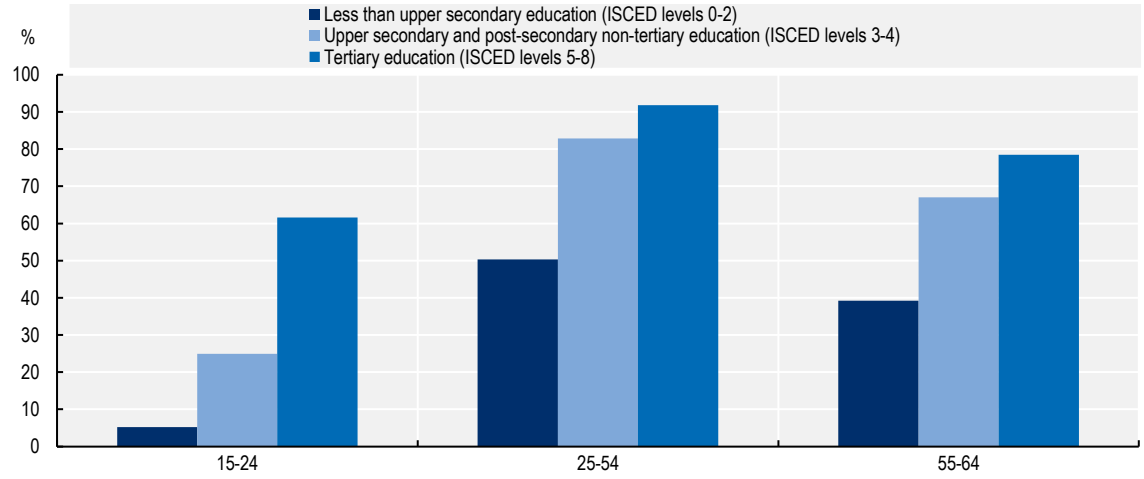
Despite recent progress in some areas, Bulgaria's overall performance in using skills appears to be limited, as evidenced by the relatively low share of adults in work, persistent skills mismatches and low (albeit growing) wages and labour productivity.

Employment, unemployment and inactivity in Bulgaria

The overall performance of Bulgaria's labour market has improved markedly over the last decade, but the share of adults in work remains relatively low. The labour market situation in Bulgaria improved significantly between the end of the 2007-08 global financial crisis and the 2020 outbreak of the COVID-19 pandemic. Employment rates among 15-64 year-olds grew from 59% in 2013 to 69% in 2019, which was a larger improvement than in all but three other EU countries (Hungary, Malta and Portugal). Unemployment in Bulgaria plummeted from 13% to 4.3% over the same period, well below the EU average of 6.8%. However, with labour force data for 2020 and 2021 now available, it appears that Bulgaria's labour market was hit harder by the pandemic than most EU countries. By 2021, employment remained about 1 percentage point below, and unemployment remained about 1 percentage point above, their 2019 levels, respectively. As such, Bulgaria's labour market is recovering from the crisis more slowly than two-thirds of EU countries (notwithstanding data breaks affecting all countries) (Eurostat, 2023[6]; Eurostat, 2023[7]). In 2019, there were about 900 000 inactive and unemployed working-age adults in Bulgaria (excluding students) from a diverse range of backgrounds (see Opportunity 1). A high share of these (85%) was inactive (i.e. not looking for a job and therefore outside of the labour force).

The Bulgarian labour market is also highly unequal, with good labour market prospects for well-educated people living in urban areas but major employment obstacles for other groups. Employment rates of highly educated adults are among the highest in the European Union, at 92% of 25-54 year-olds in 2021, while rates among the low-educated are considerably lower, at only 50% (Figure 4.1). The share of youth not in employment, education or training (NEET) is among the highest in the European Union. At the same time, Roma people face extremely high levels of joblessness and barriers to employment. In addition, Bulgaria has some of the lowest shares of employment for people with a disability and one of the largest shares of the inactive out-of-work for reasons of family and care responsibilities. Older workers aged 55-64 years also make up a large share of the out-of-work population. These groups of adults require tailored and intensive support to activate their skills in the labour market (OECD, 2022[5]).

Figure 4.1. Employment rate in Bulgaria by age and educational attainment, 2021



Source: Eurostat, (2023[8]) "Employment by age, sex and educational attainment", https://ec.europa.eu/eurostat/databrowser/view/lfsa_egaed/default/table?lang=en.

StatLink https://stat.link/moytb6

Skills imbalances

Bulgaria's economy faces widespread and persistent skills imbalances. The shortage of skilled workers is considered the most serious challenge employers face when hiring staff (Ministry of Education and Science, 2019[9]). Recent employer surveys show that around 70% of employers face difficulties filling vacancies, well above previous levels (ManpowerGroup, 2021[10]). Skills shortages are common for medium- and high-skilled occupations (e.g. in manufacturing and information and communications technology [ICT]). In contrast, skills surpluses are more common in low-skilled occupations (e.g. in agriculture and construction) (OECD, 2021[11]). Skills mismatches are also common in the Bulgarian labour market. For example, only a relatively low (albeit increasing) share of tertiary graduates (53%) work in a position requiring tertiary education (Ministry of Education and Science, 2021[12]).

High levels of emigration and population ageing are major drivers of skills imbalances. Bulgaria has the fastest-shrinking population in the world. The country has lost one-fifth of its population since the late 1980s and is expected to lose one-fifth of its working-age population in the next 20 years (OECD, 2021[13]; OECD, 2023[14]). Emigration rates were particularly high during the 1990s and the 2000s when many young and educated Bulgarians left the country. More recently, emigration rates have declined (see Opportunity 2), and the population decrease is increasingly due to low fertility rates and population ageing. With such demographic tendencies, skills imbalances are only expected to rise in the years to come, unless Bulgaria can reverse migration trends in its favour.

Wages and labour productivity

Although Bulgaria has experienced strong real wage growth over the last decade, wages remain relatively low and hamper improvements in the performance of Bulgaria's labour market. In 2021, the average annual full-time adjusted salary for employees in Bulgaria (EUR 10 300) was only 31% of the EU average (EUR 33 500) (Eurostat, 2022[15]). This partly reflects widespread informal work, particularly in the form of additional undeclared "envelope" wages, which mean official wage statistics underestimate actual wages for many workers (OECD, 2023[14]). The minimum wage in Bulgaria is the lowest in the European Union, and is still low when considering lower living costs in Bulgaria. A range of evidence suggests that the minimum wage does not allow for a decent living and discourages low-skilled adults (many of whom are from disadvantaged backgrounds) from seeking work (OECD, 2021[11]; OECD, 2022[5]). However, the minimum wage has been increased more recently, and of the half of taxpayers registered at the minimum wages, many likely receive undeclared income from informal work (OECD, 2023[14]). Low wages also drive high emigration rates among the Bulgarian labour force. In one survey, 90% of Bulgarian working-age people who intended to look for work abroad stated that raising their salary in Bulgaria would keep them in Bulgaria (Kalfin, 2018[16]). There are substantial wage gaps between Bulgaria and the main destination countries for Bulgarian migrants; and this holds across all education levels. Wage growth in Bulgaria has been hampered by low labour productivity growth, and likely ineffective use of workers' skills in workplaces, among other factors.

Improved labour productivity has been a priority and challenge for Bulgaria over several decades and remains essential to drive wage growth, reduce emigration and offset skills shortages. Bulgaria's labour productivity growth over 1995-2019 (2.3% growth in output per worker) exceeded the OECD average (1.2%) but was below that of its CEEC (Central and Eastern European Countries)[1] peers (3.4%). However, in the most recent period (2010-19), Bulgaria's labour productivity growth (2.7%) had caught up with that of the CEEC (2.5%). Bulgaria's labour productivity growth has been driven less by output per hour worked and more by growth in average hours worked than other CEEC. Labour productivity is also highly unequal across sectors in Bulgaria. Apparent labour productivity in the ICT sector is more than twice as high as the average recorded for the non-financial business economy. However, labour productivity in the agricultural sector is low and has increased only modestly since the mid-2000s (OECD, 2021[11]). Bulgaria's relatively low labour productivity also suggests that workers' skills are not being used to their potential in workplaces, highlighting the value of policies to help raise skills use.

Opportunities to use skills effectively in the labour market and at work

Bulgaria's performance in using people's skills effectively in the labour market and at work reflects a range of individual, institutional and system-level factors, as well as broader economic and social conditions in the country. However, three critical opportunities for improving Bulgaria's performance have emerged based on a review of the literature, desk research and data analysis and input from the officials and stakeholders consulted during this Skills Strategy project (hereafter "project participants") over the first half of 2022.

The three main opportunities for improving skills use in Bulgaria's labour market and at work are:

1. activating the skills of vulnerable groups in the labour market
2. fostering return emigration and skilled immigration
3. supporting enterprises to utilise workers' skills more effectively.

These opportunities for improvement are now considered in turn.

Opportunity 1: Activating the skills of vulnerable groups in the labour market

Although Bulgaria's labour market made significant progress in the last decade, its performance in improving employment outcomes for all is mixed. Some vulnerable groups have benefited from the strong labour market, such as low-educated adults and adults with disabilities whose employment outcomes had improved to 2020. Yet, the employment outcomes of some other groups have stagnated or even worsened over this period, such as youth and potentially the Roma population.

Better activating the skills of vulnerable groups in Bulgaria's labour market will be essential for improving overall skills use in the labour market. The majority of Bulgaria's 900 000 working-age adults who are unemployed or inactive (excluding students) are from often-overlapping vulnerable groups. For example, it is estimated that around 19% of them are NEET youth; 40% are from ethnic minorities; and 32% are people out of work due to care and family commitments, among other groups (OECD, 2022[5]). Out-of-work adults from these vulnerable groups require proactive, tailored and high-quality services from Bulgaria's public employment service (PES), the NEA, in close and efficient co-operation with other relevant stakeholders (Table 4.3) due to the myriad barriers to employment they face.

The most common barriers to labour market participation for vulnerable groups in Bulgaria are: skills barriers (e.g. limited education, literacy or work experience); family-related barriers (e.g. care responsibilities); health impediments; geographic barriers (e.g. living in remote settlements without a vehicle); and income barriers (e.g. wages being too low to incentivise vulnerable groups to work). In many cases, inactive and unemployed people face several employment barriers simultaneously. In total, 75% of the inactive and 61% of the unemployed face at least two significant barriers to employment, against 18% of the employed. Each of these groups requires specific policy measures adapted to their situation (OECD, 2022[5]; 2022[17]). Indeed, some project participants highlighted that out-of-work adults are not homogenous (for example, there are different ethnic groups within the Roma population) and face individual barriers that require tailored policy responses.

A number of actors in Bulgaria have responsibilities for activating the skills of vulnerable groups in the labour market (Table 4.3). The NEA is the central institution responsible for helping unemployed and inactive people in Bulgaria to transition to the labour market. In addition, several other institutions contribute to reaching out to people in need of support, such as the Social Assistance Agency and municipalities, often in co-operation with the NEA.

Table 4.3. Bulgaria's main governmental actors, roles and responsibilities for activating the skills of vulnerable groups of adults

Actor	Roles/responsibilities
National Employment Agency (NEA)	The NEA is directly responsible for outreach to unemployed and inactive people, as it is in charge of the daily implementation of active labour market policies (ALMPs) and outreach activities. In particular, the NEA's 106 local employment offices and 136 affiliated offices/branches play a central role in approaching people needing support. The NEA is also responsible for reaching unemployed and inactive persons from remote settlements through 217 mobile teams.
Ministry of Labour and Social Policy (MLSP)	The MLSP influences outreach to the unemployed and inactive indirectly, most notably by setting the general rules regulating ALMP provision. In particular, it takes budgetary decisions on ALMPs and defines target groups for support, thereby laying out general priorities and the scope of outreach activities, including via the Operational Programme for Human Resources Development.
Social Assistance Agency	The Social Assistance Agency, which administers the payment of social assistance and other benefits, is a common entry point into Bulgaria's social system for people who need income support. For most claimants, registration with the NEA is a pre-condition to becoming eligible for social assistance. The Social Assistance Agency and the NEA work closely together at the local level, thereby favouring outreach to inactive and unemployed people.
Municipalities	According to the Social Services Act, municipalities must provide assistance services at no cost to people with no income. They co-operate with youth and Roma activators of the NEA and oversee community work, which social assistance recipients must partake in to remain eligible for social assistance. Municipalities with high numbers of inactive young people can engage youth mediators through the Activation of Inactive Persons programme.

Actor	Roles/responsibilities
Private employment agencies	There are a number of private employment agencies in Bulgaria that contribute to the outreach to people who are out of employment. They are relatively scarcely used in Bulgaria compared to other EU countries.
Non-governmental organisations (NGOs)s	Several NGOs are involved in outreach to the out-of-work population at the national and local levels. In particular, this is the case for NGOs working with youth, long-term unemployed or ethnic minorities and co-operating with the NEA. In some cases, the NEA sets up formal agreements with NGOs to specify their co-operation in outreach activities and the activation of out-of-work populations.

Source: OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, https://doi.org/10.1787/7b91154a-en; Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

A number of policies and programmes in Bulgaria seek to activate the skills of vulnerable groups in the labour market, including service centres, outreach activities, consultants/mediators and ALMPs (Table 4.4).

Table 4.4. Bulgaria's main policies and programmes for activating the skills of vulnerable groups

Strategy/policy/programme	Responsible ministry/ actor	Description
Main outreach programmes		
Mobile labour office and workplaces (MLOWs)	NEA	The objective is to reach out to disadvantaged groups and inactive persons living in small and remote settlements with no access to regular labour offices.
Mobile labour offices (MLOs)	NEA	MLOs offer the full range of services on offer in regular labour offices, including services to ensure access to training, which is not the case in MLOWs.
Family labour consultants (FLCs)	NEA	FLCs aim to provide holistic support to families in need, offering tailored services to each family member, taking into account individual circumstances.
Career centres at regional labour offices	NEA	Ten career centres offer vocational counselling to registered job seekers and, at least in some centres, non-registered job seekers.
Centres for employment and social assistance (CESAs)	NEA	These centres offer a comprehensive and individualised set of services (comprising both the NEA and Social Assistance Agency services) to people from disadvantaged groups.
Youth activators, Roma mediators and youth mediators	NEA	These are NEA staff specialising in outreach to young and Roma people, respectively. Youth mediators, on the other hand, are employed by municipalities to approach inactive or unemployed young people.
Main active labour market policies (ALMPs)		
Activation of Inactive Persons (National programme)	NEA	This programme aims to activate inactive persons in the labour market by providing them with tools and services to attract them to register at the NEA and to encourage them to participate in training that enables them to return to the education system and/or employment.
Career Start (Training and employment programme for youth)	NEA	Career Start provides opportunities to young people with higher education to acquire work experience in order to facilitate their transition from education to the labour market.
Support for Retirement (National programme)	NEA	This programme supports the transition of older adults from unemployment to work or retirement. The programme's target group is unemployed persons over 58 actively looking for a job and registered at the labour office.
Programme for Training and Employment of Long-term Unemployed Persons	NEA	The programme aims to provide employment for long-term unemployed individuals registered at the labour office and increase their employability through inclusion in training.
National Programme for Employment and Training of Persons with Permanent Disabilities	NEA	This programme intends to increase the employability of registered unemployed persons with disabilities or working-age individuals successfully undergoing treatment for dependence on narcotic substances.
Assistants of People with Disabilities (National programme)	NEA	The programme's main purpose is to provide care in a family environment to people with permanent disabilities by employing unemployed persons as personal assistants.
Trainings and Employment (Operational Programme for Human Resources Development [OPHRD] 2014-2020: BG05M9OP001-1.010)	NEA	This programme aims to provide trainings and integrate unemployed persons over 29 into the labour market. It includes the provision of vouchers for the training of unemployed persons, as well as information and referrals directly to job vacancies for persons for whom jobs do not require training.

Strategy/policy/programme	Responsible ministry/ actor	Description
Education of Adults Who Have Passed Literacy Courses (OPHRD 2014-2020: BG05M9OP001-1.018)	NEA	This programme aims to improve the chances for active labour market behaviour of unemployed people with low or no education by motivating them to make efforts to improve their knowledge and skills and providing them with the conditions to acquire professional qualifications.
Flexible Job Opportunities and Training at Enterprises with Variable Workload (OPHRD 2014-2020: BG05M9OP001-1.019)	NEA	This programme aims to provide opportunities to enhance the skills relevance of inactive and unemployed persons, in line with current business needs.
Specific Trainings (OPHRD 2014-2020: BG05M9OP001-1.022)	NEA	This programme aims to increase labour productivity and adaptability of the workforce and create conditions for sustainable employment by providing enterprise and job-specific training opportunities.

Note: NEA: National Employment Agency.
Source: OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, https://doi.org/10.1787/7b91154a-en; Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

However, various recent reviews, and the project participants, point to ongoing challenges facing Bulgaria's efforts to activate the skills of vulnerable groups in the labour market. One persistent challenge is connecting disengaged adults from vulnerable populations to public employment services so that they can benefit from training and other ALMPs. Another challenge is raising the skills and qualification levels of low-skilled, out-of-work adults from vulnerable populations in order to secure positive labour market outcomes. This next section draws and builds upon relevant sections of the OECD's (2022[5]) report *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, as well as other sources, to make policy recommendations on these issues.

Connecting more vulnerable adults to public employment services

Activating the skills of adults from vulnerable groups requires connecting more of them to Bulgaria's PES, the NEA, so they can access opportunities to upskill and reskill. Connecting adults from vulnerable groups to the NEA can be achieved by creating strong incentives for them to connect and by ensuring the sufficient quantity, quality and co-ordination of outreach initiatives aimed at getting them to connect.

Despite outreach efforts, a large share of Bulgaria's unemployed and inactive adults from vulnerable groups are not in contact with the NEA. As noted earlier, the NEA has several programmes to reach out to the most disadvantaged groups, including mobile labour offices and workplaces, family labour consultants, career centres at regional NEA directorates, and activators and mediators (Table 4.4). However, the share of the out-of-work population (comprising unemployed and inactive people) registering with the NEA is low compared to other countries. Only about 22% of inactive or unemployed 25-64 year-olds were in contact with the NEA, against an EU average of 35% of job seekers who were in contact with a PES in 2019. In total, there could be around 700 000 working-age adults who neither work nor study, but have no contact with the NEA. Only about 12% of 15-24 year-old NEETs registered with the NEA in 2019. This compares to an EU average of 47% for youth registering with a PES. The share is similarly low among inactive and unemployed Roma, at 13% (OECD, 2022[5]).

Unemployed and inactive adults from vulnerable groups do not have strong incentives to register with the NEA. On the one hand, registering with the NEA is a prerequisite to receiving unemployment benefits and social assistance. On the other hand, unemployment benefits and social assistance do not provide strong incentives for unemployed and inactive adults from vulnerable groups to register with the NEA. The most vulnerable often do not meet the high requirements to receive full unemployment benefits because, for example, their contribution records are too short, they are returning claimants or because they quit their job. Although the value of unemployment benefits in Bulgaria is among the highest in the European Union,

the share of unemployed claiming unemployment benefits is lower than on average in the European Union. Close to 30% of unemployment recipients only receive the minimum rate. Among vulnerable groups of unemployed adults, however, the share receiving only the minimum rate is higher: 39% among the low-educated and 47% among Roma (OECD, 2022[5]).

Furthermore, the value of the social assistance benefits is so small, and obligations related to its receipt so high, that it has a relatively low take-up (OECD, 2022[5]). Social assistance started at BGN 75 (Bulgarian lev) per month for a single person in 2019 (about EUR 38) – and most claimants must serve a six-month waiting period after registering with the NEA to become eligible for it. This translates to low incentives to claim the benefit and, therefore, low incentives to register with the NEA. It also results in some unemployed and inactive adults from vulnerable groups engaging in informal work, which undermines their access to social protection and employer-supported training (see Chapter 3). Easing the eligibility criteria for full unemployment benefits and raising social assistance levels could incentivise more adults from vulnerable groups to register with the NEA and connect them to ALMPs. Specifically, Bulgaria could consider providing minimum (social) health coverage for people who register, with a six-month limit (OECD, 2023[14]).

Bulgaria's outreach efforts to unemployed and inactive adults from vulnerable groups appear to be insufficient. However, Bulgaria lacks evidence on the efficacy of these efforts to determine whether some should be expanded or ceased. In 2020, Bulgaria had 78 Roma mediators and 92 youth mediators working for the NEA or municipalities, down from 92 and 101, respectively, in 2015. In addition, the NEA is hiring up to 100 youth activators under a programme running until 2023. These numbers are probably insufficient considering that, in 2019, more than 170 000 young people were not in employment or education, and around 200 000 Roma of working age were not in contact with the NEA (OECD, 2022[5]). Roma mediator and youth mediator services implemented since 2005 and 2015, respectively, are thought to provide good results (Zahariev and Yordanov, 2014[18]; European Commission, 2017[19]; OECD, 2022[5]). Yet the case for increasing the number of mediators and activators is inconclusive, as Bulgaria has not conducted evaluations to produce reliable evidence on their impacts. The recently adopted Operational Programme for Human Resource Development (OPHRD) (2021-2027) defines a first step towards addressing this issue by establishing a system to evaluate the services offered by the NEA based on data from linked administrative registers.

The services available to unemployed and inactive adults from vulnerable groups could be better co-ordinated and integrated to connect more individuals with the NEA. Effective and regular co-operation between employment and social services facilitates referrals to the former (European Commission, 2022[20]), which could help ensure that more adults from vulnerable groups are in contact with a PES. Bulgaria has made much progress in this direction since the creation of its centres for employment and social assistance (CESAs) run collaboratively by the NEA and the Social Assistance Agency (Box 4.1). CESAs support outreach to vulnerable groups by facilitating access to both social assistance and unemployment benefits and services, and by providing tailored counselling to adults from vulnerable groups. The CESA initiative has already been evaluated and upgraded twice (OECD, 2022[5]) but could potentially be expanded and improved to reach even more vulnerable people (Box 4.1).

The NEA has also established an automated data exchange with the Social Assistance Agency via the inter-institutional Registry Information Exchange System (RegiX), which allows them to better identify inactive people (Box 4.1). To this end, Bulgaria has also amended the Employment Promotion Act and proposed measures under the OPHRD (2021-2027) to implement additional data exchanges with a range of institutions and agencies. It is also creating a single, integrated database for employed and unemployed persons at risk of exclusion.

Box 4.1. Relevant national practices: Connecting more vulnerable adults to public employment services

Bulgaria: Centres for employment and social assistance (CESAs)

Across Bulgaria, the NEA and the Social Assistance Agency run 76 joint CESAs. These centres aim to offer a comprehensive and individualised set of services (comprising both the NEA and Social Assistance Agency services) to people from disadvantaged groups. CESAs include both outreach and activation initiatives. They are particularly efficient for outreach to vulnerable groups because they facilitate access to social assistance (which, as already explained, is an effective way to connect vulnerable adults to the NEA), and it provides specialised services tailored to the needs of individuals from vulnerable groups.

Close co-operation between the NEA and the Social Assistance Agency is a key element of the well-functioning outreach to vulnerable people distant from the labour market. Both organisations should continue their collaborative efforts. Nevertheless, the efficiency of this policy could be further increased. Indeed, the take-up of social assistance is low in Bulgaria (OECD, 2021[21]), limiting the pool of inactive people that can be reached. Increasing social assistance take-up would increase the efficiency of this policy. Alternatively, the MLSP could consider wider collaboration with diverse actors (e.g. NGOs, municipalities) that might have better outreach programmes for some vulnerable groups.

Bulgaria: Inter-institutional Registry Information Exchange System (RegiX)

Bulgaria's inter-institutional RegiX is a digital infrastructure permitting automated information and data exchanges across registers from different public institutions using machine-to-machine (M2M) communication. RegiX is hosted by the Ministry of e-Governance and is part of Bulgaria's central e-government system. The main objectives of RegiX are to favour holistic service provision through an enhanced and better use of client data and to increase the efficiency of administrative processes (e.g. providing personal data only once to a public institution rather than to each institution or service separately). As of September 2021, more than 70 registers were included in RegiX, such as the Population Database, the Property Register and the Register of Identity Documents. Authorised users can access information from these registers. According to RegiX website statistics, several hundred information exchange requests are sometimes filed per hour within RegiX.

Source: OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, https://doi.org/10.1787/7b91154a-en.

To more easily identify and get in contact with out-of-work adults, Bulgaria could further strengthen data sharing and co-ordination between the NEA and other relevant actors. For example, Bulgaria could improve co-ordination mechanisms (e.g. meetings, information and good practice sharing) with other institutions (e.g. the National Revenue Agency), with municipalities that provide services to vulnerable groups (especially in remote regions), with schools, or even with NGOs. NGOs in Bulgaria provide diverse types of assistance to vulnerable groups (e.g. the Red Cross provide varied youth services, and various NGOs serve the Roma population), but there is currently no systemic collaboration between the NEA and NGOs. Increased collaboration with NGOs on tasks related to outreach and mentoring might be an efficient way to connect more vulnerable individuals to the NEA (European Commission, 2022[20]).

Bulgaria could connect more unemployed and inactive adults from vulnerable groups to the NEA by addressing these challenges and building on good practices. This would involve easing benefit eligibility criteria and raising social support levels to strengthen incentives for adults from vulnerable groups to connect with the NEA. It would also involve improving the quantity, quality and co-ordination of outreach initiatives aimed at getting unemployed and inactive adults from vulnerable groups to connect to the NEA.

As an example of co-ordination, France's Comprehensive Support (Accompagnement global) to job seekers is delivered as a joint service from the French PES (Pôle Emploi) and the authorities responsible for social well-being at the regional level (Conseils Généraux) (Box 4.2).

Box 4.2. Relevant international practices: Connecting more vulnerable adults to public employment services

France: Comprehensive Support (Accompagnement global)

Under the Accompagnement global approach, the French PES (Pôle Emploi) co-operates closely with the authorities responsible for social well-being at the regional level (Conseils généraux) to deliver a set of social support and employability services to facilitate the sustainable return to the labour market of vulnerable job seekers. This initiative was set up in 2014 when a national agreement was signed between Pôle Emploi, the Assembly of District Public Authorities and representatives of the General Directorate for Employment and Vocational Training (DGEFP). Accompagnement global schemes are implemented through the signing of three-year agreements by the district public authority and the local branch of Pôle Emploi. Job seekers enter the programme for 12 months, which can be extended once, up to 6 months.

The close co-ordination between employment and social services aims to deliver a personalised follow-up to job seekers from vulnerable groups to help them overcome their main barriers to employment. Upon entering the programme, job seekers undergo a comprehensive assessment of their professional situation (by the PES counsellor) and an assessment of their social situation (by the district social worker). Then, both parties establish a joint action plan to facilitate the job seeker's return to the labour market. This plan defines concrete actions to find a new job, as well as advice and referrals to relevant social services such as healthcare, housing, education, mobility, etc. During this process, the PES counsellor maintains contact with the district social worker to make the best use of existing social services (ILO, 2018[22]), and automatic data sharing is set up between institutions.

In 2018, this integrated support scheme was implemented in 97% of France's districts. As a result, 50 000 job seekers (2% of the total number of job seekers) were enrolled in the Accompagnement global scheme, among which more than two-thirds could be considered as from a vulnerable group (ILO, 2018[22]).

The latest evaluation shows the scheme has positively impacted the return to employment, leading to a 27% increase in the return to sustainable employment six months after entering the scheme (Pôle Emploi, 2018[23]).

Source: ILO (2018[22]), Public employment services: Joined-up services for people facing labour market disadvantage, www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_632629.pdf; Düll and Kaisergruber (2019[24]), "Travailleurs sociaux et conseillers emploi : même combat ?", www.metiseurope.eu/2019/11/17/travailleurs-sociaux-et-conseillers-emploi-meme-combat%E2%80%89/; Pôle Emploi (2018[23]), *Rapport Annuel 2018,* www.pole-emploi.org/files/live/sites/peorg/files/documents/Publications/Rapport%20Annuel%20-%202018-040619-15h43.pdf.

Recommendations

3.1 **Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency and participate in active labour market policies by making benefits more accessible and generous**. Bulgaria should continue to make unemployment insurance and social assistance benefits conditional on registering with the NEA. However, it should lower the six-month waiting period, increase the level of social assistance benefits, and consider temporarily providing minimum (social) health coverage to encourage more unemployed and inactive adults from vulnerable groups to register with the NEA. Bulgaria should also seek opportunities to get more unemployed adults from vulnerable groups receiving unemployment benefits for longer and at higher benefit rates, for example, by tweaking unemployment insurance eligibility criteria. In both cases, Bulgaria should require, support and monitor training and/or job-search activity by benefit recipients (see Recommendations 3.3 and 3.4).

3.2 **Evaluate the efficacy of Bulgaria's existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes**. Bulgaria should conduct counterfactual evaluations of the impacts of its programmes that seek to reach out to unemployed and inactive adults from vulnerable groups. This should include ensuring the implementation of interventions that aim to improve the evaluation of NEA's policies, outlined in the OPHRD (2021-2027). Based on the results of these evaluations, Bulgaria should expand those programmes that are most effective at getting unemployed and inactive adults from vulnerable groups registered with the NEA and Social Assistance Agency. As part of this, Bulgaria should consider increasing the number and scope of activators and mediators who reach out to these groups, including youth and Roma activators/mediators.

Expanding and tailoring employment services for vulnerable groups of adults

Once in contact with the NEA, unemployed adults from vulnerable groups need intensive and tailored support to activate their skills in the labour market. In particular, providing these adults with access to high-quality and relevant training via active labour market policies (ALMPs) is critical for Bulgaria.

Unemployed adults from vulnerable groups tend to receive less attention from Bulgaria's NEA caseworkers than other unemployed adults. The NEA aims to meet its clients who are furthest from the labour market and who are most likely to come from vulnerable groups (known as "Category 3" clients) more frequently than other clients (Categories 1 and 2 clients). However, in practice, NEA caseworkers meet Category 3 clients less frequently than Category 1 and 2 clients. This result is partly driven by the NEA's policy of meeting young job seekers (under 30) at least monthly, despite many of these youth being less vulnerable (Category 1). No such minimum meeting frequency applies to Category 3 clients (OECD, 2022[5]). Increasing the frequency of meetings with counsellors is considered an efficient and cost-effective method to reintegrate vulnerable job seekers (European Commission, 2022[20]), suggesting that unemployed adults from vulnerable groups need more time with NEA caseworkers.

The capacity of NEA counsellors to provide intensive and tailored support to unemployed adults from vulnerable groups is limited by their high workloads. The workload of NEA counsellors is high and rising. During July-September 2019, the NEA had around 142 job seekers per caseworker, which increased to 217 during the COVID-19 pandemic (OECD, 2022[5]). Expanded online services (registration, guidance, courses, etc.) for those with sufficient digital literacy could help offset this workload increase and free up NEA staff to spend more time with unemployed adults from vulnerable groups. However, unlike a PES in

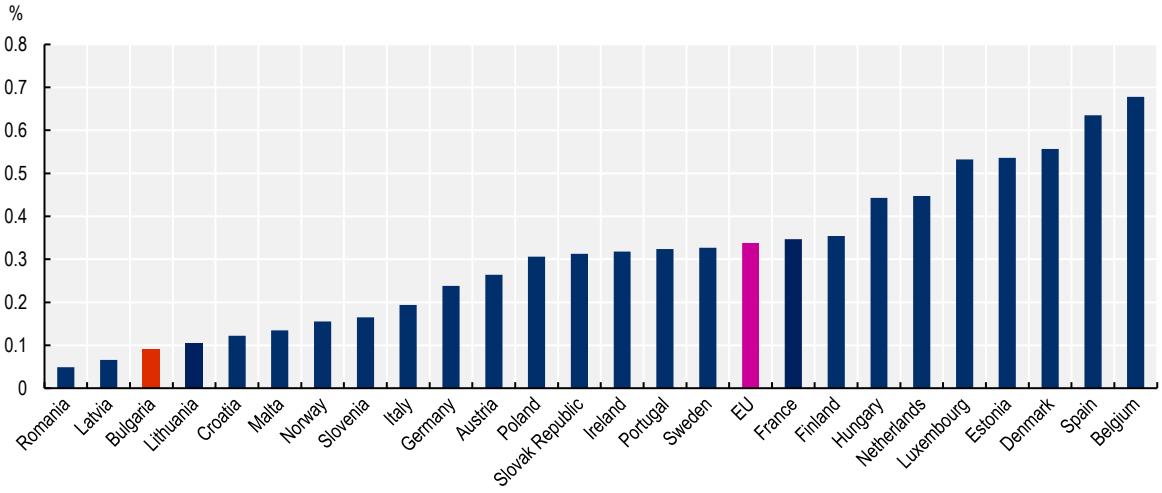
many OECD countries that take a “digital first” approach, whereby services are on line for as many clients as possible, the NEA does not currently offer full online delivery of employment and related services. It is likely that the NEA will also need to employ more staff to devote more attention to unemployed adults from vulnerable groups. This could also potentially achieve faster unemployment-to-work transitions and net savings due to lower expenditures on unemployment benefits.

The capacity of NEA counsellors is also limited by their outdated client-profiling practices. The NEA uses a profiling tool to segment job seekers into sub-categories depending on their distance to the labour market. However, the tool is a decade old and relatively unsophisticated (e.g. it cannot segment clients based on their predicted unemployment duration), and many caseworkers do not follow its recommendations, suggesting they lack trust in the tool. The usefulness of accurate statistical profiling has been proven in various countries and by various studies (OECD, 2018[25]; 2022[5]; European Commission, 2022[20]). A more sophisticated profiling tool could allow the NEA to reallocate resources and time away from clients who need them less to clients from vulnerable groups who need them most. The new OPHRD (2021-2027) suggests measures in this direction within its second specific objective focused on the modernisation of the NEA. The most notable of them include developing an automated job placement advisor based on a skills assessment of job seekers and the introduction of artificial intelligence to support the work of counsellors.

Most of Bulgaria’s unemployed adults from vulnerable groups have low skills and education and thus need to upskill or reskill to gain stable employment. Overall, among Bulgaria’s unemployed persons in 2019, 45.4% faced an educational barrier to employment (educational attainment of lower secondary education or below), and 50.8% faced a skills barrier (never worked, or the most recent role was in an elementary occupation (International Standard Classification of Occupations [ISCO] Code 08 classification 91-96). However, these rates were generally higher for adults from vulnerable groups. For example, the share of out-of-work adults who faced an educational barrier was 88.5% for Roma and 53.8% for youth. About 55% of adults who were inactive because of family/care responsibilities faced an educational barrier (OECD, 2022[5]).

Bulgaria needs to increase the skills and qualifications of unemployed and inactive people from vulnerable groups to improve their employment outcomes. However, relatively few out-of-work adults in Bulgaria participate in ALMPs (Figure 4.2). Investments in training for unemployed adults in Bulgaria are relatively low and volatile. As noted earlier, the NEA has implemented numerous ALMPs to get those who are out of work into employment (Table 4.4). However, overall spending on ALMPs in Bulgaria is low by international standards: over the period 2016-20, Bulgaria spent an average of 0.25% of its gross domestic product (GDP) per year on ALMPs, compared to an EU average of 0.48%. Moreover, Bulgaria’s expenditure is concentrated on direct employment creation programmes, which international studies suggest are of questionable effectiveness. By contrast, spending on training measures is very low. The share of total spending on training ALMPs ranged from 2% to 39% in Bulgaria between 2016 and 2020. It was lower than the EU average each year for which data are available and more volatile than in most other EU countries (Eurostat, 2022[26]). This is despite the fact that actual expenditure on training ALMPs often exceeds budgeted expenditure in Bulgaria.

Figure 4.2. Activation support (participants in ALMPs per 100 persons wanting to work), 2019



Source: OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria, Connecting People with Jobs*, https://doi.org/10.1787/7b91154a-en.

StatLink https://stat.link/41pk86

While the NEA's training programmes are often available to adults from vulnerable groups, training programmes that specifically target low-qualified and/or vulnerable groups of adults are often small-scale. As a result, relatively few participants in the NEA's training programmes are from vulnerable groups. For example, in 2020, only 10% of participants in training ALMPs had a lower secondary education or below, despite about 45% of unemployed persons being low-educated (OECD, 2022[5]).One programme offers low-skilled unemployed people the possibility to undertake vocational training through the dual training system. However, the programme had only 14 participants in 2018 and 35 in 2019. Another programme, Training of Adults Who Have Passed Literacy Courses, with a EUR 10 million budget, targeted unemployed persons with low or no education. Yet, between 2016 and 2019, only 350 people acquired a qualification through the programme. Unlike many OECD countries, Bulgaria has no major programmes focused on basic skills (e.g. literacy) training for low-skilled job seekers. The recently adopted OPHRD (2021-2027) envisages various training measures for improving access to employment for disadvantaged groups. These include training to develop "skills related to the future of work" (including organisational skills; teamwork; digital skills; science, technology, engineering and mathematics [STEM]; transferable skills; problem solving; learning skills; time management, among others), while others focus on training in basic skills for people with low education.

Furthermore, some out-of-work adults from vulnerable groups may over-participate in training ALMPs. Some project participants cited the challenge of "occupational learners" in Bulgaria, whereby out-of-work adults participate in multiple training ALMPs successively, simply in order to receive benefits. Bulgaria should closely monitor and produce data on the extent of this phenomenon. In addition, for adults who have participated in a training ALMP, Bulgaria should consider providing additional ALMPs, such as employment incentives and entrepreneurship support, with the aim of facilitating their transition to employment (OECD, 2022[5]). This would be facilitated by adopting a more individualised approach to the NEA's services and ALMPs, as planned in the OPHRD (2021-2027) and seen in international good practices, such as France's Accompagnement global (Box 4.2).

Overall, while clients of the NEA tend to rate the quality of their training highly, they tend to poorly rate its relevance for providing the skills needed to secure a job (Vladimirova et al., 2021[27]). Running many training programmes, including several small programmes, involves a high administrative cost.

Furthermore, job seekers might not know that these small programmes exist. Bulgaria should consider streamlining its current training programmes, based on evidence about what works, and focus spending on programmes that yield the best results. It will be important for Bulgaria to better target and tailor training to unemployed adults from vulnerable groups and to ensure the labour market relevance of training.

Bulgaria could better tailor and increase participation in employment services, especially training, for vulnerable groups of adults. First, Bulgaria should increase the intensity and frequency of employment services (e.g. caseworker meetings) offered to vulnerable groups of unemployed adults. It could do this with existing resources, for example, by freeing up existing resources (e.g. by expanding online services for clients with sufficient digital skills) and allocating existing resources more efficiently (e.g. by using modern statistical profiling tools). Second, Bulgaria should consider expanding the number of caseworkers in the NEA to reduce staff caseload. Third, Bulgaria should raise the participation of unemployed adults from vulnerable groups in training ALMPs. It could start by increasing and stabilising investments in training ALMPs, by rebalancing the existing budget and/or expanding it. Fourth, Bulgaria should seek to maximise the quality, not quantity, of training ALMPs, by reducing the overall number of training ALMPs and increasing the share that is specifically targeted and tailored to unemployed adults from vulnerable groups. Programmes specifically tailored to the individual learning needs of adults from vulnerable groups should include basic, socio-emotional and technical skills, as well as formal and non-formal education and training (see Chapter 3). Bulgaria can build on national and international practices to this end (Box 4.3 and Box 4.4).

Box 4.3. Relevant national practices: Expanding and tailoring employment services for vulnerable groups of adults

Bulgaria: The Bulgarian-German Vocational Training Centre State Enterprise (BGVTC)

The BGVTC was set up in 2011, inheriting the tradition of three successful Bulgarian-German projects on vocational training. The centres provide two-year vocational training programmes tailored to the needs of young people from vulnerable backgrounds, based on Germany's dual system of vocational education and training (VET). The BGVTC offers vulnerable job seekers a wide range of services and training, including information, counselling, career guidance and training in key competencies. It is licensed by the National Agency for Vocational Education and Training to provide vocational training in 86 professions. The institution frequently implements innovative projects to upskill and reskill job seekers from vulnerable groups. It received the "THE EUROPA" prize from the Adalbert Kitsche Foundation of the European Association of Institutes for Vocational Training (EVBB) for its project on chances for young people at risk (Young Chance).

In 2011-2020, across the five BGVTC branches, more than 15 000 unemployed received a vocational qualification under the National Action Plans for Employment (NAPEs), and about one-third also received training in key competences ("Public and Civic Competencies", "A Sense of Initiative and Entrepreneurship'", "Digital Competence"). The BGVTC delivers vocational training and guidance to about 2 000 unemployed and employed persons per year. According to a 2019 evaluation, about 58% of unemployed participants in BGVTC training subsequently found employment, compared to 32% of unemployed adults in a control group.

Source: BNT (2013[28]), Welcome, https://dp.bgcpo.bg/en/; DIG-I-READY, (2020[29]), *Bulgarian-German Vocational Training Centre State Enterprise*, https://digi-ready.eu/consortium_bgcpo; Ministry of Labour and Social Policy, (2019[30]), Elaboration of a Subsequent Assessment of the Effect of the Active Labour Market Policy Financed by State Budget Resources at Individual Level (Net Effect) of the Programs and Measures, included in the National Employment Action Plan for 2017, net-effect-final-report-en1.pdf (government.bg).

Box 4.4. Relevant international practices: Expanding and tailoring employment services for vulnerable groups of adults

Estonia: The Work Ability Reform

In 2016, Estonia implemented a large-scale policy reform called Work Ability Reform to increase outreach to people with long-term health problems, optimise the support on offer for this group and improve the labour market situation of people with reduced work capacity. The Work Ability Reform strengthened the incentives to register with the PES, particularly for people with health impediments. In addition to changes to the work ability assessment, the reform introduced new ALMPs targeting people with health problems and adapted service concepts to the needs of this target group, thereby rendering the support for people with reduced work ability both more attractive and more effective. For example, a new staff category, disability employment counsellors, was introduced at the PES to specifically focus on job seekers with disabilities. In addition, registration with a PES was made a pre-condition for disability benefit receipt, creating strong financial incentives for people entitled to such benefits to establish contact with a PES. The outcomes of the reform are promising. While the share of registered job seekers with reduced work ability stood at 15% at the end of 2015, it grew to over 30% by the end of 2019, suggesting that the Work Ability Reform had a significant impact on outreach to people with long-term health problems.

Source: OECD (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, https://doi.org/10.1787/7b91154a-en; OECD, (2022[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, https://doi.org/10.1787/7b91154a-en; OECD (2021[31]), *Improving the Provision of Active Labour Market Policies in Estonia*, Connecting People with Jobs, https://doi.org/10.1787/31f72c5b-en.

Recommendations for expanding and tailoring employment services for vulnerable groups of adults

Recommendations

3.3 **Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs**. To make this possible, Bulgaria should first seek to free up existing NEA resources. It should expand the NEA's online services for clients with sufficient digital skills (registration, guidance, courses, etc.), thereby reducing the time caseworkers spend on these clients. It should also seek to allocate caseworkers' time more efficiently to the clients who need it most, as part of relevant measures in the OPHRD (2021-2027) targeting the digital transformation of the NEA. It could do this by developing and utilising a more modern statistical profiling tool, for example, one that predicts clients' unemployment duration. In addition, Bulgaria should consider expanding the number of caseworkers in the NEA to at least return caseloads to their pre-pandemic levels, and ideally below that, to allow more intensive and personalised support for unemployed adults from vulnerable groups. Reliable data and information on skills needs generated by improved skills assessment and anticipation activities (see Chapter 5) should feed into the advice given by NEA caseworkers to unemployed adults from vulnerable groups.

3.4 **Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes, by increasing the supply and demand for these programmes**. Bulgaria should increase the supply of training tailored to the individual needs of unemployed adults from vulnerable groups (especially youth, Roma and low-educated/low-skilled adults) within the context of current ALMPs and those planned in the OPHRD (2021-2027). Caseworkers should seek to increase clients' interest in and demand for these programmes by conducting in-depth assessments of clients' skills and training needs and promoting relevant training to them (see Recommendation 3.3). The NEA should offer a range of training to meet the learning needs of unemployed adults from vulnerable groups. This should include training targeting basic skills (e.g. literacy, numeracy, digital) and socio-emotional skills, in addition to job-specific/technical skills, whether non-formal or formal education and training. The results of this training should be monitored over time to ensure its relevance to the labour market and to allow ongoing improvements. To facilitate this increased supply, Bulgaria should increase the share of ALMP expenditure dedicated to training programmes to EU average levels and stabilise funding over time. It could do this first by rebalancing existing ALMP expenditure away from direct job creation towards programmes that upskill and reskill job seekers. It should also consider expanding its overall investments in training ALMPs as a percentage of GDP to get closer to international averages. Finally, individuals who complete a training ALMP should subsequently be required, incentivised and supported to search for a job that utilises their newly acquired skills.

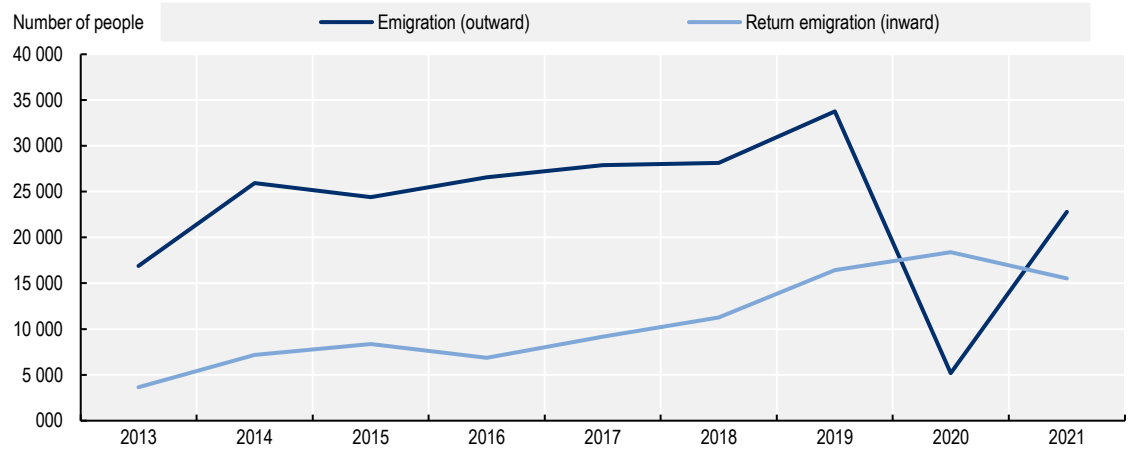
Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria

A major challenge and opportunity for using skills in Bulgaria's labour market and reducing skills imbalances is migration. High emigration and low return emigration, as well as low levels of skilled immigration of EU citizens and third-country nationals (TCNs), have limited Bulgaria's ability to use people's skills and address skills shortages.

Return emigration and skilled immigration can have various benefits for Bulgaria. Attracting and retaining skilled migrants (highly educated workers, entrepreneurs and international students) can help respond to skills shortages, relieve the pressures of population ageing and boost competitiveness. Encouraging the return of skilled nationals – "circular migration" – can help to introduce new knowledge, technology and innovations from abroad into domestic workplaces and the economy (World Bank, 2006[32]; 2009[33]; IMF, 2016[34]) . For example, a 2017 nationally representative survey of return migrants in Bulgaria showed that 73% had learned a new skill while abroad that could be used in the Bulgarian labour market (Misheva, 2021[1]). International students can also bring important benefits to Bulgaria, as they typically integrate more easily than other migrants into host countries' labour markets and, at the same time, help to establish international, cultural and economic ties.

As noted in recent OECD Economic Surveys (OECD, 2021[13]; OECD, 2023[14]), high levels of emigration have been the main driver of population decline and a key reason for skills imbalances in Bulgaria. Emigration rates were particularly high during the 1990s and the 2000s. As a result, today Bulgaria has one of the largest emigrant populations in Europe and Central Asia (Garrote-Sanchez, Kreuder and Testaverde, 2021[35]). According to data from the United Nations Department of Economic and Social Affairs (UN DESA), approximately 1.7 million Bulgarians lived abroad in 2020. The largest Bulgarian diaspora populations in OECD countries are in Germany (360 000 persons), Spain (120 000) and the United Kingdom (105 000). However, emigration slowed considerably during the pandemic, and return emigration has been increasing in recent years (Figure 4.3). Even so, more than 13% of Bulgarian emigrants in OECD countries have a tertiary education (OECD, 2019[36]), and it is likely that more recent emigrants are even more highly educated, in line with rising educational attainment in Bulgaria.

Figure 4.3. Emigration and return emigration in Bulgaria, 2013-2021



Source: Eurostat (2023[37]), Emigration by age group, sex and country of next usual residence [MIGR_EMI3NXT__custom_5712749], https://ec.europa.eu/eurostat/databrowser/view/migr_emi5nxt/default/table?lang=en; Eurostat (2022[38]), Immigration by age group, sex and citizenship [MIGR_IMM1CTZ__custom_5712790], https://ec.europa.eu/eurostat/databrowser/view/migr_imm12prv/default/table?lang=en.

Bulgarians emigrate mostly for economic reasons: to earn higher wages, escape unemployment and benefit from better quality jobs and working conditions (Garrote-Sanchez, Kreuder and Testaverde, 2021[35]). In more recent years, emigration from Bulgaria has stabilised, and a growing number of Bulgarians are returning to the country as economic opportunities have improved. Approximately 18 000 Bulgarian working-aged citizens immigrated to Bulgaria in 2020, the highest level on record (Eurostat, 2022[38]). Bulgaria can use and benefit from the skills of Bulgarians working abroad by attracting them back to and helping them resettle in the country.

Immigration into Bulgaria is low overall, and this appears to hold true for skilled immigration also. Only about 2.4% of Bulgaria's population are international migrants, compared to 13.3% on average in OECD countries. In 2019, only about 1 000 working-aged citizens of EU28 countries (excluding Bulgarians) and about 10 000 working-aged citizens of non-EU28 countries immigrated to Bulgaria (Eurostat, 2022[39]). The Republic of Türkiye, the Russian Federation and Ukraine are consistently the top three nationalities for newcomers to Bulgaria. Immigration to Bulgaria has not been increasing over time and was well below the levels for some other CEEC for which data are available, such as Hungary (9 000 working-aged citizens of EU28 countries (excluding Hungarians) and 42 000 working-aged citizens of non-EU28 countries migrated to Hungary in 2019).

As a result, immigration flows as a share of Bulgaria's labour force are below 1%, the second lowest among the new EU member states. In Lithuania, a country also facing high emigration and population decline, immigration flows as a share of the labour force exceed 5%. In 2017, only 16% of newly registered TCNs in Bulgaria migrated for work, which is half the rate for the European Union as a whole. In recent years, Bulgaria's inward migration has comprised a growing number of refugees and asylum seekers, especially from Syria (almost 10 000 immigrants since 2014) and now from Ukraine (by June 2022, about 78 000 Ukrainian refugees lived in Bulgaria).

The limited data available on the education levels of immigrants suggest that highly skilled migrants make up a limited share of Bulgaria's immigration. National educational attainment data would suggest that immigrants to Bulgaria from non-EU member states (10 000 in 2019) would be less highly educated on average than immigrants from EU member states (1 000 in 2019). Additionally, the Human Development Index (HDI) level of immigrants' country of citizenship can be a loose proxy for their education level (it measures education, health and standard of living levels in countries). Based on this data, of

the 5 600 immigrants to Bulgaria in 2019 who were citizens of non-EU, non-EFTA (European Free Trade Association) or non-EU-candidate countries, only about 400 (7%) came from the 19 countries with a very high HDI level (e.g. Andorra, Argentina, Australia, United Arab Emirates, etc.). Also, Bulgaria has a relatively low number of international students – just under 900 TCNs temporarily migrated to the country for education reasons in 2019.

A range of actors have responsibilities for the Bulgarian diaspora and immigration, although they have a limited focus on fostering return emigration and skilled immigration to meet Bulgaria's skills needs (Table 4.5).

Table 4.5. Bulgaria's main actors, roles and responsibilities related to return emigration and skilled immigration

Actor	Responsibilities related to return emigration	Responsibilities related to skilled immigration
Ministry of Labour and Social Policy (MLSP)	The MLSP maintains and develops a network of labour and social services in the relevant diplomatic representations abroad to protect the rights of Bulgarian workers residing in other countries.	The MLSP is responsible for the formulation and implementation of the policy regarding third-country nationals' (TCNs') access to the labour market, the conclusion of bilateral labour migration and social security treaties with third countries, assistance to Bulgarian citizens in other states of the European Union and EU nationals in Bulgaria to exercise their rights as EU citizens with regard to employment and social security. The MLSP is also responsible for the labour market integration of TCNs residing in Bulgaria.
Ministry of Internal Affairs	n/a	Participates in elaborating the national migration policy, regulates migration processes and administratively controls the residence of foreigners in Bulgaria through its Migration Directorate.
Ministry of Education and Science	Finances the Bulgarian Sunday schools around the world.	n/a
Ministry of Culture	Finances the Bulgarian cultural institutes abroad.	n/a
Ministry of Justice	One of the actors responsible for the naturalisation process.	n/a
National Council on Migration, Borders, Asylum and Integration	n/a	The council advises on the implementation of national policies in the areas of migration, borders, asylum and integration. The council's chairperson is the interior minister, and its members include deputy ministers as well as the chairpersons of the State Agency for Child Protection and the State Agency for Refugees, and others.
State Agency for Bulgarians Abroad	It is the main state body in charge of dealing with nationals abroad. The agency aims to establish and maintain contact with associations, societies, churches and schools of Bulgarian communities abroad and to support their activities in order to preserve the Bulgarian language, cultural and religious traditions. However, the diaspora policy is scattered among numerous state institutions with higher administrative ranks than the agency, which creates institutional challenges.	n/a
Council for Working with Bulgarians Abroad	The council assists the vice-president in exercising the powers related to the policies for Bulgarians abroad, the Bulgarian communities abroad and the Law on the Bulgarians Living Outside the Republic of Bulgaria. Currently, there is no institutionalised mechanism for consultation with Bulgarian communities abroad.	n/a

Actor	Responsibilities related to return emigration	Responsibilities related to skilled immigration
National Employment Agency (NEA)	The National European Employment Services (EURES) Network project of the NEA is an European network of employment services designed to facilitate the movement of workers. One of its objectives is to motivate the return of highly qualified Bulgarian workers by providing information on working in Bulgaria and on job offers.	The NEA implements the policy for labour market protection and regulates the admission of TCNs to employment in Bulgaria.
Social Assistance Agency	n/a	It is responsible for the implementation of social assistance and the protection of foreigners in the country. The Social Assistance Agency carries out these activities through its territorial divisions.
International organisations	International Organisation for Migration (IOM) Bulgaria helps with the comprehensive reintegration of returning Bulgarian labour migrants.	Some international organisations provide integration services to migrants: IOM Bulgaria, the Bulgarian Red Cross, and Caritas.
Non-governmental organisations (NGOs)	Various NGOs, many of them initiatives from emigrants that have returned to Bulgaria, try to provide forums to connect Bulgarian employers and enterprises with emigrant communities, e.g. Tuk-Tam, Back2Bg.	Various NGOs are involved in helping migrants and refugees with their integration and access to rights. These include the Council of Refugee Women in Bulgaria, MultiKulti, the Center for Legal Aid – Voice in Bulgaria and the Foundation for Access to Rights (FAR).

Source: Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

Return emigration and skilled immigration are included to a limited extent as goals in Bulgarian policy and legislation (Table 4.6). The recent National Strategy on Migration of the Republic of Bulgaria (2021-2025) includes measures to attract Bulgarian emigrants back to the country.

Table 4.6. Bulgaria's main policies related to return emigration and skilled immigration

Strategy/policy/programme	Content related to return emigration	Content related to skilled immigration
National Strategy on Migration of the Republic of Bulgaria (2021-2025)	Includes measures targeting attracting Bulgarian communities abroad and aiming to attract Bulgarian emigrants back to Bulgaria.	The goals outlined by the strategy include measures aimed at attracting highly qualified third-country nationals (TCNs), mostly by facilitating administrative measures and access to information and providing support for effective integration policies. However, specific measures regarding the integration of immigrants are not defined.
National Demographic Development Strategy (2012-2030)	One of its aims is to develop a migration policy to attract Bulgarians living abroad. It also aims to introduce special measures and activities targeted at ethnic Bulgarians living outside the country.	n/a
National Strategy for Bulgarian Citizens and Historic Bulgarian Communities	Adopted in 2014, it aims to establish a policy framework for a comprehensive, long-term and integrated state policy for Bulgarian citizens and Bulgarian historic communities abroad. However, there has not been a political commitment to implement this strategy.	n/a
Law on the Bulgarians Living Outside the Republic of Bulgaria	This 2000 law defines this group as comprising those with at least one relative of Bulgarian origin in their ascending line, possess Bulgarian national consciousness, and reside permanently in the territory of another state.	n/a
Labour Migration and Labour Mobility Act	n/a	This act regulates all types of access of TCNs to the Bulgarian labour market: single work permit; EU Blue Card; work permit for intra-corporate transfer; work permit for seasonal workers; registration of the employment of students and researchers.

Strategy/policy/programme	Content related to return emigration	Content related to skilled immigration
Recognition of Professional Qualifications Act	n/a	This act regulates the terms and procedures for recognition of professional qualifications acquired in other EU member states and third countries, with the aim of access to and practice of regulated professions in Bulgaria, as well as the terms and procedures for partial access to the practice of a regulated profession and recognition of length of service for mastering the profession in another EU member state.
Foreigners in the Republic of Bulgaria Act	n/a	Adopted in December 1998, it covers the procedures of entry, departure, stay and residence of foreigners. It has been amended about 70 times since.
Protection against Discrimination Act	n/a	Adopted in September 2003, it regulates the protection against all forms of discrimination.

Source: Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

Potential return migrants and skilled immigrants are motivated by both financial and non-financial drivers in choosing to migrate. Financial drivers include the quality of job opportunities, as well as income and tax levels. Non-financial drivers include the skills environment (such as English proficiency, research and development and patent activity, and Internet access, among others), societal inclusiveness and quality of life. Future prospects and the family environment are both financial and non-financial in nature. Finally, the accessibility of countries in terms of migration policies (e.g. permit conditions, hiring procedures, permanent residence, rights to bring family members, etc.) affects the motivation of skilled workers to migrate (Tuccio, 2019[40]).

International evidence shows that returning emigrants tend to give more importance to non-monetary factors (Barcevičius et al., 2012[41]), which seems true for Bulgarians. A 2017 survey found that few Bulgarian migrants indicated wages as the principal factor for their return. Rather, the most important factors were: a peaceful life (36%), quality of life (21%) or the opportunity to start a business in Bulgaria (18%) (Misheva, 2021[1]). Many Bulgarians working abroad have a high propensity to return, which indicates that policies targeting return emigration have good potential to be effective. For example, according to a recent 2022 survey among Bulgarians living abroad, 39% of respondents are considering returning to live and work in Bulgaria in the following two to three years, with young people showing a higher propensity to return (Tuk-Tam, 2022[42]).

Bulgaria will need to continue longer-term structural reforms in order to strengthen individuals' financial drivers to migrate to the country. Income taxes are relatively favourable, and job opportunities are in relatively high supply. However, Bulgaria will need to continue implementing economy-wide structural reforms to continue lifting wages and the supply of high-skilled jobs, including regulatory, competition and corporate governance reforms aiming to improve the business environment, stimulate productivity and boost growth (OECD, 2021[11]). Improving skills development (see Chapters 2 and 3) will also support these goals. Bulgaria will also need to continue broader labour market reforms aimed at improving other aspects of job quality (e.g. job security).

However, Bulgaria could also increase individuals' motivation to migrate to the country by targeting individuals' non-financial and other drivers to migrate. This entails developing a range of effective policies to help turn migration flows in its favour to benefit from people's skills and address skills shortages. Project participants noted that Bulgaria has initiated a number of small-scale projects to foster return emigration and skilled immigration, but these have not been systematic or highly successful. To increase individuals' motivation to migrate to the country, Bulgaria will first need to prioritise return emigration and skilled immigration in its national skills agenda. It should also develop concrete measures to effectively reach out to potential return migrants and skilled immigrants and to support the integration of those who migrate to Bulgaria.

Prioritising return emigration and skilled immigration in Bulgaria's skills agenda

The first step towards fostering return emigration and skilled immigration is to make them a high priority in the national policy agenda. This includes developing a clear, comprehensive, widely supported, impactful vision and strategy for return emigration and skilled immigration. It also includes assigning clear responsibility and resources to a specific actor(s) for implementing any such vision and strategy for return emigration and skilled immigration.

Bulgaria lacks cross-cutting and consistent buy-in for fostering return emigration and skilled immigration. Harnessing the skills of return migrants and skilled immigrants could be given higher priority in Bulgaria's migration, diaspora and broader skills and development policies. Although return emigration is mentioned in some strategies and laws, there has been a lack of political commitment to attract Bulgarians living abroad and skilled immigrants. The Bulgarian diaspora policy has been characterised by inconsistent implementation and fragmented institutional arrangements (Vankova, 2020[43]). Public opinion of migrants has deteriorated over the last decade, partly driven by an influx of asylum seekers since 2013. A recent study found that 77% of Bulgarian working-age people (without illnesses) declared they disapprove of measures to attract workers from other countries (Kalfin, 2018[16]). Migration policy generally appears more focused on managing issues of legal vs illegal migration than on harnessing return emigration and skilled immigration to meet skills needs to drive Bulgaria's development.

Bulgaria's existing strategies do not set a clear, compelling vision and plan for fostering return emigration and skilled immigration. Despite frequent mentions in national strategies, Bulgaria's migration policy has been inconsistent over time (Caritas, 2019[44]). Moreover, migration strategies generally have not defined specific policies for attracting foreign workers (Krasteva, 2019[45]) or Bulgarian workers abroad. The new National Migration Strategy (2021-2025) and the Employment Strategy (2021-2030) include guiding principles on raising awareness of existing opportunities for employment through outreach campaigns, improving institutional co-ordination, further facilitating access to the Bulgarian labour market for skilled foreigners and learning from good practices. However, the impact of the Migration Strategy and its proposals is expected to be very limited, as no action plan or financial framework has been defined (Cheresheva, 2022[46]). The chapter dedicated to the integration of migrants in particular is brief and vague (European Commission, 2022[47]). Bulgaria's higher education strategies and policies do not prioritise attracting foreign TCN students (Government of Bulgaria, 2018[48]). As such, Bulgaria's strategies related to the diaspora and migration have not translated into concrete policies for fostering return emigration and skilled immigration.

The public bodies with formal responsibilities for immigration have undertaken few efforts and have limited co-ordination to foster return emigration and skilled immigration. The State Agency for Bulgarians Abroad is focused on preserving the national culture within Bulgarian communities abroad and establishing the Bulgarian origin of foreign citizens. As a result, its policies are concentrated in the field of education, culture and access to Bulgarian citizenship rather than outreach to and resettlement support for Bulgarian workers abroad. The agency is also expected to co-ordinate with other institutions working with the diaspora, but this co-ordination is currently weak, in part owing to responsibilities being fragmented among different institutions alongside the agency's low profile and influence (Vankova, 2020[43]). The National Council on Migration, Borders, Asylum and Integration concentrates on border policies and asylum integration, and the NEA on regulating TCNs' admission and protection in the Bulgarian labour market rather than on fostering skilled immigration (Table 4.5). One promising measure, though, is the career forums organised by the MLSP in foreign cities with a large Bulgarian diaspora (Box 4.5).

Box 4.5. Relevant national practices: Prioritising return emigration and skilled immigration in Bulgaria's skills agenda

Bulgaria: Career forums organised by the Ministry of Labour and Social Policy (MLSP)

The MLSP has organised career forums in countries with a large number of Bulgarian emigrants in order to attract them back to Bulgaria. The initiative allows Bulgarians who study, live and work in Western European countries to meet leading Bulgarian employers and receive information about attractive opportunities for career development in Bulgaria. In 2020, the MLSP organised career forums in four European cities where many Bulgarians live – London, Cologne, Munich and Vienna. Bulgarian companies from various sectors of the economy took part in the forums – financial, insurance, educational, health sector, information technology (IT), food, chemical and machine industry, services and logistics, etc. The career forums were relaunched in 2022 after the COVID-19 pandemic.

Bulgaria's existing strategies and bodies have not generated comprehensive and effective measures to foster return emigration and skilled immigration. OECD and EU countries employ a suite of policies to attract back emigrants and skilled immigrants and to help them (re-)integrate into the labour market and local life. These include financial incentives, outreach and engagement to attract inward migration, favourable visa/residency permit conditions for skilled TCNs and their families, and information and support services to help with relocation and (re-)integration (see the next section). However, Bulgaria largely lacks such measures. The Bulgarian Investment Agency is implementing a BGN 146 000 (EUR 75 000) project to attract Bulgarian immigrants back to the country. Bilateral labour agreements with Armenia and Moldova focus on attracting workers from those countries (including the Bulgarian diaspora) to Bulgaria. However, these are small-scale initiatives; in both cases, there is little information on their activities and results. The Law on Foreign Citizens has been progressively amended to harmonise with EU requirements, streamline application procedures and facilitate access to residence and the labour market for seasonal and highly skilled TCNs. However, no financial or in-kind support is targeted to skilled migrants to attract and help integrate them. The new OPHRD (2021-2027) acknowledges the importance of return migration and skilled immigration but lacks an overall long-term vision. It plans measures to increase Bulgaria's support for international mobility, exchange good practices on how to retain and attract talent, and provide labour market access services and incentives to foreign job seekers applying for work in Bulgaria.

The potential benefits of return emigration and skilled immigration (discussed earlier) need to be better understood and widely promoted in Bulgaria. For example, a study of the fiscal impact of immigrants in 25 OECD countries (22 of which are in the European Union) from 2006 to 2018 found that in all 25 countries, immigrants contributed more in taxes and contributions than governments spent on their social protection, health and education (OECD, 2021[49]). Bulgaria should identify and quantify the current and potential benefits of return emigration and skilled immigration in the country and put these results at the centre of the policy agenda and messaging.

Bulgaria will likely need a clearer vision and strategy, as well as a dedicated institution(s) for fostering return emigration and skilled immigration. Bulgaria requires a clear and co-ordinated strategy, with underlying measures and political commitment. In future migration, skills and related strategies, Bulgaria should more explicitly articulate the potential benefits of return emigration and skilled immigration and set more ambitious and concrete goals. For example, it could set quantifiable targets for annual return emigration and skilled immigration flows. This should be followed by a concrete suite of policy measures to realise the goals and targets (see the next section).

Some countries combine broader diaspora policies with more specific emigrant return policies, such as Ireland's "Global Irish" policy. Other countries combine comprehensive migration policies covering return emigration, skilled immigration and other migration issues, such as Lithuania's strategy (Box 4.6). Still

other countries have included migration policies as part of overarching development strategies, as in Latvia (ICMPD, 2019[50]).

Box 4.6. Relevant international practices: Prioritising return emigration and skilled immigration

Lithuania: Strategy for Demography, Migration and Integration (2018-2030)

Lithuania's Strategy for Demography, Migration and Integration (2018-2030) is its first strategy to encompass demographic challenges, migration management, diaspora policies and (re)integration in a single document. The strategy focuses on the return emigration of Lithuanian residents, attracting a highly qualified labour force from non-EU countries and creating a well-functioning integration system for newly arrived foreigners. The emphasis is placed not only on the integration of foreigners but also on the reintegration of Lithuanian returnees to address demographic challenges. With respect to the integration of newly arrived foreigners, the strategy aims to promote decent working and living conditions, strong and inclusive local communities, trust in state institutions and a tolerant receiving society. However, the strategy currently does not provide an action plan or funding for integrating newly arrived foreigners. It remains to be seen if the government will elaborate on the integration strategy in the future.

Source: European Commission, (2018[51]), Strategy for demography, migration and integration 2018-2030, https://ec.europa.eu/migrant-integration/home_en.

The remit and resources of one or more existing Bulgarian agencies focused on migration will likely need to be expanded in order for Bulgaria to successfully foster return emigration and skilled immigration. For example, the State Agency for Bulgarians Abroad could be made responsible and resourced for achieving goals and targets with respect to return emigration and could co-operate with bodies responsible for the immigration of EU citizens and TCNs in areas such as promotion and integration services.

Recommendations for prioritising return emigration and skilled immigration in Bulgaria's skills agenda

Recommendations

3.5 **Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration**. Bulgaria should explicitly articulate the potential benefits of and a positive vision for return emigration and skilled immigration, especially for achieving the country's development goals. It should also set ambitious and concrete goals for return emigration and skilled immigration (including for international students in Bulgaria), such as quantifiable targets for migration flows. The government should do this in any action plans developed under the current national strategies on migration concerning Bulgarian citizens, as well as in all future policies and strategies related to migration, employment and skills. The ministries of employment, education, interior, economy and others, as well as social partners, should co-ordinate to develop this comprehensive and ambitious vision and strategy, ensuring it is aligned with Bulgaria's current and anticipated skills needs. This process should include clearly allocating responsibility for achieving goals and targets (see Recommendation 3.6) and developing a comprehensive suite of programmes and measures for fostering return emigration and skilled immigration (see Recommendations 3.7 and 3.8).

3.6 **Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies**. Bulgaria should make fostering return emigration and skilled immigration a priority objective of the Council for Working with Bulgarians Abroad and the State National Council on Migration, Borders, Asylum and Integration, respectively. It should expand the remit and resources of the State Agency for Bulgarians Abroad to be responsible and resourced for fostering return emigration, and specifically for achieving the related goals of a renewed Bulgarian vision and strategy for return emigration (Recommendation 3.5). An existing or new body should similarly be responsible and resourced for fostering skilled migration, especially in areas of skills shortages. These bodies should be responsible for developing a suite of targeted measures for emigrants and skilled immigrants (Recommendations 3.7 and 3.8). They should also co-ordinate on areas of service overlap. This could include an online portal promoting Bulgaria, job opportunities, recognition of qualifications, support services, etc. and support services for the (re-)integration of returning emigrants and skilled immigrants into the labour force and life in Bulgaria. The bodies with responsibility for fostering return emigration and skilled immigration should also co-ordinate formally with other agencies with responsibilities for migration and/or labour market integration (e.g. the NEA). The renewed State Agency for Bulgarians Abroad and the body responsible for fostering skilled migration should report on their activities and achievements to the State National Council on Migration, Borders, Asylum and Integration and the Council for Working with Bulgarians Abroad. These councils should co-ordinate with a new Skills Policy Council (see Recommendation 4.1 in Chapter 5).

Reaching and supporting return migrants and skilled immigrants

A second step towards fostering return emigration and skilled immigration for Bulgaria is to develop effective policy measures and services targeting potential and arrived return emigrants and skilled immigrants. These include outreach measures to make contact with emigrants and potential skilled immigrants and to provide them with information intended to attract them to Bulgaria. They also include support measures to help returning emigrants and skilled immigrants to successfully (re-)integrate into the labour market and to efficiently access housing, schooling, healthcare and other services.

Outreach and communications with potential return emigrants and skilled immigrants can help tap into these motivations (Dickerson, 2018[52]) Countries can encourage return emigration by engaging with expatriate communities and individuals to reinforce their ties with their home country and provide practical information and support for relocation. Diaspora engagement activities can encourage networking and knowledge exchange between expatriate communities and people in the home country. These can be important to increase access to capital and more innovative technologies and work practices.

Information and communication strategies play a crucial role in stimulating return emigration; many EU countries have put in place such policies. These could include networking events, job seeker platforms, job fairs and diaspora skills databases (ICMPD, 2019[50]). Dedicated portals can offer valuable support in the relocation process by providing information on skills needs and job offers and on the recognition of foreign qualifications and online language training (OECD, 2019[53]). Many OECD countries facing high emigration rates, including Estonia, Lithuania and Sweden, run such portals (Box 4.8). Such portals can offer services to both emigrants and immigrants, or separate portals could be offered for each group.

Bulgaria lacks outreach and communications measures for potential return emigrants and skilled immigrants. Neither the State Agency for Bulgarians Abroad nor the bodies responsible for skilled immigration (e.g. the NEA) have outreach and communications measures to foster return emigration and skilled immigration.

Some potential good practices for engaging Bulgarian workers abroad have emerged from NGOs ("Bulgaria Wants You", "Itogether.BG" and "Career in Bulgaria. Why not?") (Box 4.7) and from other EU countries with high emigration and relative success in fostering return migration. Bulgarian NGOs' measures include online platforms that provide information on job opportunities in Bulgaria, online communities, and communications with emigrants. This can be especially effective for Bulgarians studying abroad, who tend to be less familiar with the Bulgarian labour market and whose number has been increasing in recent years. Bulgarian initiatives also include meetings and events to foster networking with emigrants. Based on these good practices, Bulgaria could consider creating an online portal offering comprehensive information to emigrating and returning Bulgarian nationals, as well as potential skilled immigrants. A section in the Bulgarian language for emigrants could cover information on Bulgaria's strengths and opportunities in terms of employment, investments, quality of life, etc., consistent with the key motivations emigrants report for returning to Bulgaria (a peaceful life, quality of life, starting a business, etc.). A section in other languages could include information targeted at skilled workers considering a move to Bulgaria on the topics above, as well as on schooling, healthcare, tax and other matters.

Return emigrants face some challenges integrating into Bulgaria's local labour market, and the same appears true of skilled immigrants. Although the number of returning Bulgarian emigrants is growing, many plan to leave the country again. According to a 2017 survey, only 60% of return migrants plan to stay in Bulgaria, 28.2% would like to leave again temporarily, and 12% plan to leave the country for good (Misheva, 2021[1]). The weak integration of former emigrants in the local labour market could partly explain this tendency.

Across OECD countries, more than half of return migrants face some difficulty after their return, the most common being reintegrating into the local labour market (OECD, 2017[54]). In Bulgaria, according to the data from the 2017 survey, returnees do not necessarily earn higher wages for their international experience, do not always participate actively in the labour market, and often experience a bout of unemployment (25% of return migrants) (Misheva, 2021[1]). The estimated employment rate for tertiary-educated foreign-born adults in Bulgaria (79%[2] in 2019) appears to be lower than in all but three other CEEC for which data are available. Also, it appears to be around 10 percentage points lower than the employment rate for tertiary-educated Bulgarian-born adults in Bulgaria (89%). This is consistent with the gap for EU countries overall but larger than the gap in all other CEEC for which data are available, except Estonia and Lithuania (Eurostat, 2023[55]).

TCNs' access to Bulgaria's labour market has improved, but this has not clearly translated into higher-skilled immigration and better employment outcomes. In 2018, Bulgaria made several legislative amendments to facilitate the employment of TCNs by Bulgarian employers. These included: allowing local employers to hire up to 20% of their workforce from non-EU/non-EEA (European Economic Area) countries (35% for small- and medium-sized enterprises [SMEs]), up from the original 10%; removing the requirement for local employers to advertise jobs for 15 days locally before offering a job to a TCN (known as the "labour market test"); and no longer limiting EU Blue Cards (an EU-wide work and residence permit for non-EU/EEA nationals) to professionals with skills on the government's labour shortages list. The amendments also made it easier for TCN students, researchers and their families resident in other EU countries to reside in and access employment in Bulgaria. In 2021, a new single procedure for applying for and obtaining a residence and work permit for TCNs was introduced into law. A one-stop-shop was introduced, with the Migration Directorate at the Ministry of the Interior now administering single procedures (single permit, blue card, ICT and seasonal worker permits) to access the labour market. The NEA still provides its opinion on access to the labour market but does so electronically (European Migration Network, 2022[56]).

However, there has been no clear improvement in TCN immigration to Bulgaria or the employment rate for tertiary-educated foreign-born adults since the major reforms in 2018 (Eurostat, 2023[55]; Eurostat, 2022[38]). Some actors see further opportunities for improvement, such as removing any remaining local labour market test requirements for hiring TCNs and limiting the grounds on which the NEA can decline

the hiring of foreign workers (Lithuanian Free Market Institute, 2018[57]). The government should monitor the extent to which recent changes to migration and employment policies for skilled TCNs are fostering skilled immigration and continuously improve these policies over time in close co-operation with social partners.

Bulgaria lacks support measures to help return emigrants and skilled immigrants successfully (re-)integrate into the labour market. Return emigration and skilled immigration could be fostered by providing high-quality information and support to find well-matched jobs and/or start-up opportunities in Bulgaria. About 22% of returnees to Bulgaria state that the only help they need upon returning is finding a job (Misheva, 2021[1]). However, beyond the generic unemployment services of the NEA, Bulgaria has no measures to aid this process. The NEA could create specific support services to help return migrants find jobs. These could include information sessions and job-search matching services between returnees and local enterprises (Garrote-Sanchez, Kreuder and Testaverde, 2021[35]). Ministries and agencies involved in innovation and entrepreneurship policy could provide information, guidance and networking opportunities to returning emigrants to help them apply their skills and networks acquired abroad to start new businesses in Bulgaria. This could also include short-term training in entrepreneurial skills, including creating a business plan, financial planning and navigating bureaucratic requirements to start a business (ICMPD, 2019[50]). The OPHRD (2021-2027) provides a step in the right direction by suggesting tailored labour market services for foreign job seekers applying for work in Bulgaria, as well as incentives and measures to facilitate the mobility of workers from abroad to integrate into the Bulgarian labour market.

Return emigrants and skilled immigrants also lack public support to adjust to other aspects of life in Bulgaria, such as schooling, healthcare and taxation, among others. The experience of EU member states shows that effective return emigration policies tackle a multitude of policy areas (e.g. labour market activation, housing and support at school) and are coherent with other policy areas (ICMPD, 2019[50]). Countries can provide services to facilitate the relocation and integration of foreign workers and their families, including providing information language courses, support for the recognition of qualifications, civic integration courses and counselling services (OECD, 2017[58]). In addition to job search, some return emigrants to Bulgaria experience burdensome administrative processes during their resettlement related to schooling, real estate, taxation, etc. (Georgiev, 2020[59]). Streamlining these processes and providing tailored information to return emigrants and skilled immigrants on these topics could help Bulgaria attract and retain return migrants and skilled immigrants. For example, it could also offer administrative assistance for finding and renting/buying a place to live, finding and registering in schools and kindergartens, meeting tax obligations, etc. This information could be included in the potential online portal and/or discussed in resettlement seminars, as mentioned earlier.

Box 4.7. Relevant national practices: Reaching and supporting return migrants and skilled immigrants

Bulgaria: NGO platforms and events aimed at Bulgarians working abroad

"Bulgaria Wants You" online platform

The online platform, "Bulgaria Wants You" (https://bulgariawantsyou.com/), was developed by the DNA Association in partnership with businesses, municipalities and other institutions. The platform provides information about employment opportunities, living standards and working conditions, and organises various career forums and campaigns targeting Bulgarians living abroad. Their latest campaign, "DNAcard - A return ticket", introduced a direct financial incentive for Bulgarians living abroad to return to Bulgaria.

"ITogether.BG" initiative for IT workers

The Bulgarian Association of Software Companies (BASSCOM) developed the "ITogether.BG" initiative to motivate skilled Bulgarians abroad to work for Bulgarian IT companies. The initiatives include an online information and communication platform (www.basscom.org/itogether) and annual meetings and events.

"Career in Bulgaria. Why not?" annual forum

Tuk-Tam is a non-profit organisation that aims to create a network of current and returned emigrants. They develop communities of students and professionals abroad by engaging them through networking and cultural events. They also support the career development of returned emigrants. Tuk-Tam, in partnership with Back2Bg, organised an annual forum entitled "Career in Bulgaria. Why not?" from 2008 to 2018. The purpose was to connect Bulgarians with experience abroad with employers looking to hire skilled professionals. Each year over 1 500 Bulgarians with international experience – students, specialists and entrepreneurs – visited the forum.

Source: Koyanka, (n.d.[60]), The Bulgarians with the acquired education and professional experience abroad- and unused potential; Koyanka (n.d.[60]), www.spisanie.ongal.net/broi15/19KoiankaDimitrova.pdf; OECD, (2021[11]), *OECD Economic Surveys : Bulgaria 2021 : Economic Assessment*, https://doi.org/10.1787/1fe2940d-en.

Box 4.8. Relevant international practices: Reaching and supporting return migrants and skilled immigrants

Estonia, Lithuania and Sweden: Examples of information portals

Estonia has developed an official portal dedicated to attracting foreigners to the country. It provides job offers and has information on visas, housing, healthcare, taxes and other topics of concern to foreigners considering moving to Estonia.

Lithuania has made the Work in Lithuania portal available to foreigners in English. Aiming to encourage professionals living abroad to build their careers in Lithuania, the website provides job offers, success stories of people who have already moved to the country and information about living in Lithuania.

In Sweden, a portal provides up-to-date information to foreign workers on skills needs and job offers by region, online language training, regulated occupations and recognition of foreign qualifications, as well as the possibility to apply for work permits on line. All of this is available in numerous languages.

Source: Swedish Institute (2019[61]) Working in Sweden webpage, www.sweden.se/work; Enterprise Estonia (2019[62]), Work Estonia website, www.workinestonia.com/; Invest Lithuania (2019[63]), Work in Lithuania website, https://workinlithuania.lt.

Recommendations for reaching and supporting return migrants and skilled immigrants

Recommendations

3.7 **Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria**. Bulgaria should consider developing an online platform targeting Bulgarian workers abroad and potential skilled immigrants, promoting their relocation to Bulgaria. The platform should provide relevant information, foster communications and allow for the development of

online communities. The platform should include information on Bulgaria's strengths and opportunities in terms of employment, investments, quality of life, schooling, etc., consistent with the key motivations of return emigrants and skilled immigrants. The platform should also be used to collect more and better data on the characteristics of Bulgaria's diaspora (e.g. registration data or online surveys). The platform design could build upon the existing, smaller-scale platforms for emigrants developed by different NGOs in Bulgaria. The suite of measures should also include virtual and in-person networking events and job fairs, particularly focused on key destination countries for emigrants (e.g. Germany, Spain and the United Kingdom) and key source countries for immigrants (e.g. Balkan and Slavic language countries). Importantly, these efforts should also target international students in Bulgaria. The measures should be promoted through existing institutions and agencies focused on the diaspora and investment attraction.

3.8 **Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society**. The NEA should create specific support services to help return migrants and skilled immigrants (including international students) find well-matched jobs, consistent with the objectives in the OPHRD (2021-2027). These could include information sessions and job-search matching services between migrants and enterprises, as well as referrals to institutions that can recognise prior learning from abroad (see Recommendation 2.7 in Chapter 3). Ministries and agencies involved in innovation and entrepreneurship should also provide information, guidance and networking opportunities to returning emigrants and skilled immigrants to help them apply their skills, use their networks acquired abroad and start new businesses in Bulgaria. This could include short courses in entrepreneurial skills, such as creating a business plan, financial planning, navigating bureaucratic requirements, etc. Bulgaria should also provide tailored information to return emigrants and skilled immigrants on renting/buying, schools and kindergartens, tax obligations, etc. As part of this, it should provide feedback to responsible agencies on how to streamline these processes for return migrants and skilled immigrants. Information on these services and topics could also be included in an online platform targeting Bulgarian workers abroad and potential skilled migrants (see Recommendation 3.7).

Opportunity 3: Supporting enterprises to utilise workers' skills more effectively

Developing and activating skills is necessary but not sufficient for improving productivity and economic growth. A country can successfully develop skills but fail to realise the full benefits of those skills if they are not used effectively at work. Indeed, some project participants argued that it would be insufficient for Bulgaria to improve only activation (see Opportunity 1 above) and return/skilled migration policies (see Opportunity 2 above) for the country to fully benefit from skills. Employers will also need to better utilise workers' skills for the country to fully benefit from skills. Policy makers in OECD countries are becoming more aware that how well employers use skills in workplaces may be just as important as the skills workers possess. To take full advantage of the initial investment in skills development and to limit the depreciation and obsolescence of unused skills, countries should strive to use skills as intensively as possible in the economy, at work and in society (Guest, 2006[64]).

Skills use at work (or in workplaces) refers to the frequency with which workers use their various skills on the job. Different drivers can influence skills use, but the main driver is HPWPs at work (Box 4.9).

Box 4.9. Definitions and measurements of skills use and high-performance workplace practices

Skills use at work (or in workplaces)

The OECD Skills Strategy Framework (OECD, 2019[53]) and its pillar on "using skills effectively" describes skills utilisation in both the labour market (also referred to as "activation") and at work (or in workplaces). This section (Opportunity 3) focuses on the latter. Skills use is often measured using the job requirements approach, which assesses the frequency with which tasks related to skills are carried out. For example, the Survey of Adult Skills (PIAAC) measures the frequency (from 1 "never carried out" to 5 "carried out every day") of ICT-skill-related tasks, such as the use of e-mail, spreadsheets and programming languages, which result in a composite variable for the use of ICT skills (OECD, 2016[2]).

As Bulgaria has not participated in PIAAC, the OECD has drawn on the small number of available indicators of skills use in Eurofound's 2015 European Working Conditions Survey (EWCS). For example, the work intensity index measures the level of work demands in the job according to: quantitative demands (working fast); time pressure (having tight deadlines, not having enough time to do the job); frequent disruptive interruptions; pace determinants and interdependency; and emotional demands.

High-performance workplace practices (HPWPs)

Despite considerable literature on HPWPs, there is no consensus on the exact definition (Posthuma et al., 2013[65]; UKCES, 2009[66]). A number of authors have tried to identify specific practices and different categories of HPWPs. A definition of HPWPs has been developed based on an analysis of data from the Survey of Adult Skills (PIAAC) (OECD, 2016[2]). These taxonomies differ in both depth and breadth. The OECD Centre for Skills applies a pragmatic approach and has identified four broad categories of HPWPs. As Bulgaria has not participated in PIAAC, the OECD has selected indicators for HPWPs from Eurofound's 2019 European Company Survey (ECS). The HPWP categories and indicators are shown below.

High-performance workplace practices	Related indicators from ECS 2019
Flexibility and autonomy: Including flexibility in working time and tasks, involvement in setting tasks, planning activities, and applying own ideas.	Ability to organise work independently, environment to carry out tasks autonomously, required to solve unfamiliar problems, prevalence of part-time contracts.
Teamwork and information sharing: Including receiving support from colleagues, working in a team, and sharing work-related information with colleagues.	Extent of teamwork, importance of helping colleagues.
Training and development: Including participation in continuing vocational training and on-the-job training.	Extent of learning opportunities, extent of training during working time, extent of on-the-job training, importance of training.
Benefits, career progression and performance management: Including bonuses, career advancement, performance appraisal and competency profiles.	Extent of variable pay.

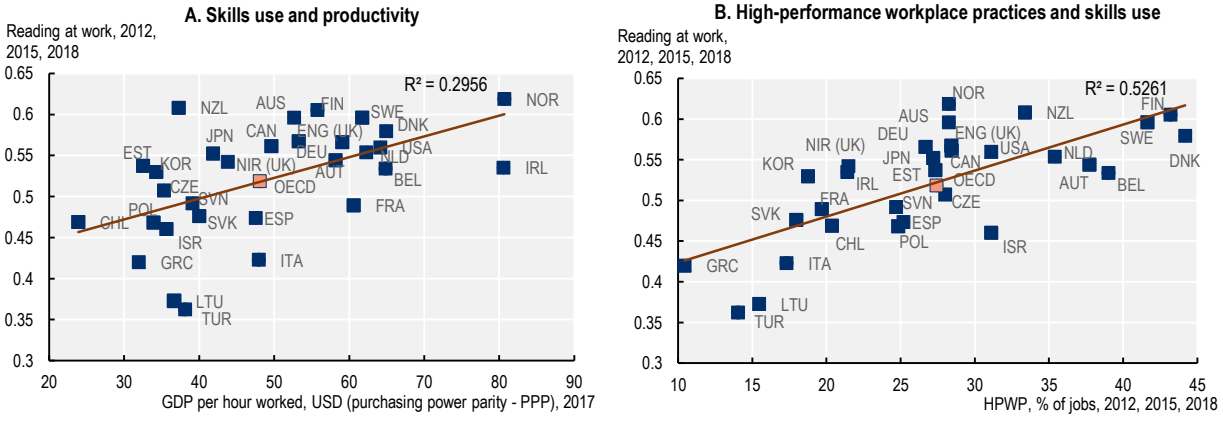
Source: OECD (2019[53]), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, https://dx.doi.org/10.1787/9789264313835-en; OECD (2016[2]), *Skills Matter: Further Results from the Survey of Adult Skills*, https://dx.doi.org/10.1787/9789264258051-en; UKCES (2009[66]), High Performance Working: A Synthesis of Key Literature, www.ukces.org.uk; Posthuma et al. (2013[65]), A High Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research, https://dx.doi.org/10.1177/0149206313478184; Eurofound (2019[67]), European Company Survey, www.eurofound.europa.eu/surveys/data-visualisation/european-company-survey-data-visualisation, Eurofound, (2015[68]) Sixth European Working Conditions Survey, www.eurofound.europa.eu/surveys/european-working-conditions-surveys/sixth-european-working-conditions-survey-2015.

Putting skills to better use at work is important for workers, employers and the broader economy. Studies using data from the OECD Survey of Adult Skills (PIAAC) demonstrate the positive effects of the effective use of skills on performance in both the economy and society (OECD, 2016[2]). Analysis of the use of skills in workplaces can aid in understanding which skills need to be developed, thereby providing relevant input for training and education providers. For Bulgaria, a declining population, persistent skills shortages and relatively low skills levels among the working-age population magnify the importance of the effective use of skills at work to bolster productivity and living standards.

Using adults' skills more effectively and introducing HPWPs in Bulgarian workplaces could help raise the country's labour productivity, which remains well below the OECD average. In the context of emigration and ageing, population growth will contribute less to Bulgaria's GDP growth, and productivity growth will become an increasingly important contributor. PIAAC demonstrates that skills use in workplaces is positively correlated with, and may help drive, productivity; for instance, the use of reading skills explains a considerable share (30%) of the variation in labour productivity across PIAAC countries, even after controlling for average proficiency scores in literacy (Figure 4.4, Panel A). Skills use and HPWPs are also highly correlated, suggesting that HPWPs can positively influence productivity and skills use (Figure 4.4, Panel B).

The more effective use of skills at work could make Bulgarian jobs more attractive to highly skilled and highly mobile workers (see Opportunity 2). To attract and retain talent, jobs need to move towards internationally competitive wages and job quality. OECD analysis indicates that workers who use their skills more intensively at work – beyond having attained these skills – tend to have higher wages and are more satisfied with their jobs (OECD, 2016[2]). Furthermore, optimising the use of employees' skills in workplaces could benefit firms in the long term by supporting the transition towards higher value-added jobs. Strengthening skills utilisation at work also can stimulate the adoption of innovations and new technology by Bulgarian firms, which is an important driver of economic growth.

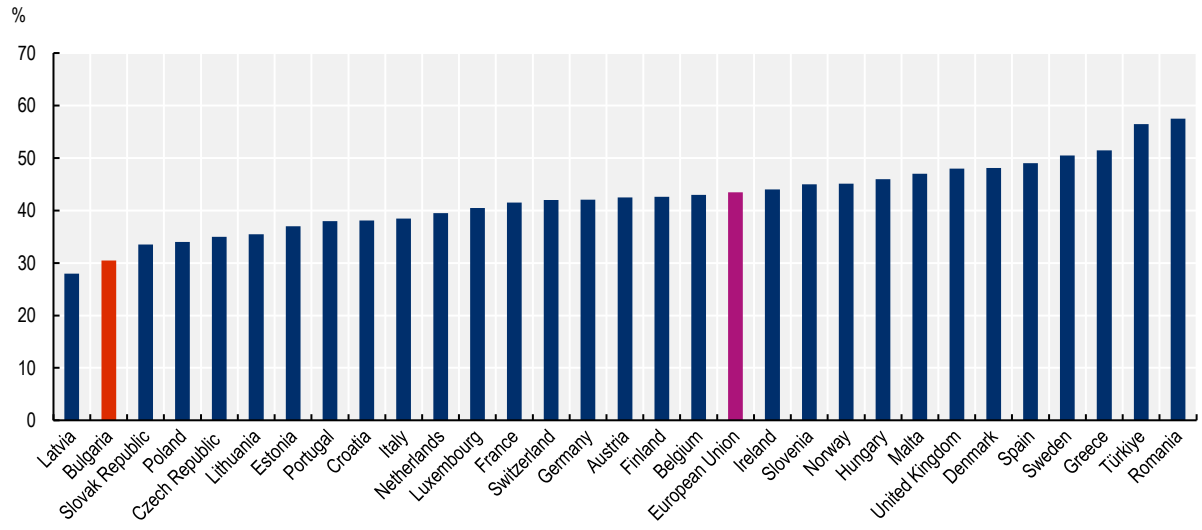
Figure 4.4. Correlations between skills use, productivity and the adoption of high-performance workplace practices in OECD countries



Note: The skills use index ranges from 0 to 1 and is a computed average for the frequency with which workers use different related tasks at work (e.g. reading documents, instructions, memos, articles, e-mails and more for using reading skills at work). High-performance workplace practices include the following variables: choosing and changing the sequence of tasks; the speed of work and how to do the work; organising one's own time and planning one's own activities; co-operating with others; instructing, teaching or training people; sharing information with co-workers; bonuses; participating in training; and flexible working hours.
Source: OECD (2019[69]), *Skills Matter: Additional Results from the Survey of Adult Skills*, https://dx.doi.org/10.1787/1f029d8f-en.

Despite the importance and wide-ranging benefits of effective skills use at work, the available evidence suggests that adults' skills are not used to their full potential in Bulgarian workplaces. Work intensity is lower in Bulgarian workplaces than in every EU country except Latvia, according to the EWCS 2015's work intensity index (Figure 4.5).

Figure 4.5. Work intensity index, by country, EU28, 2019

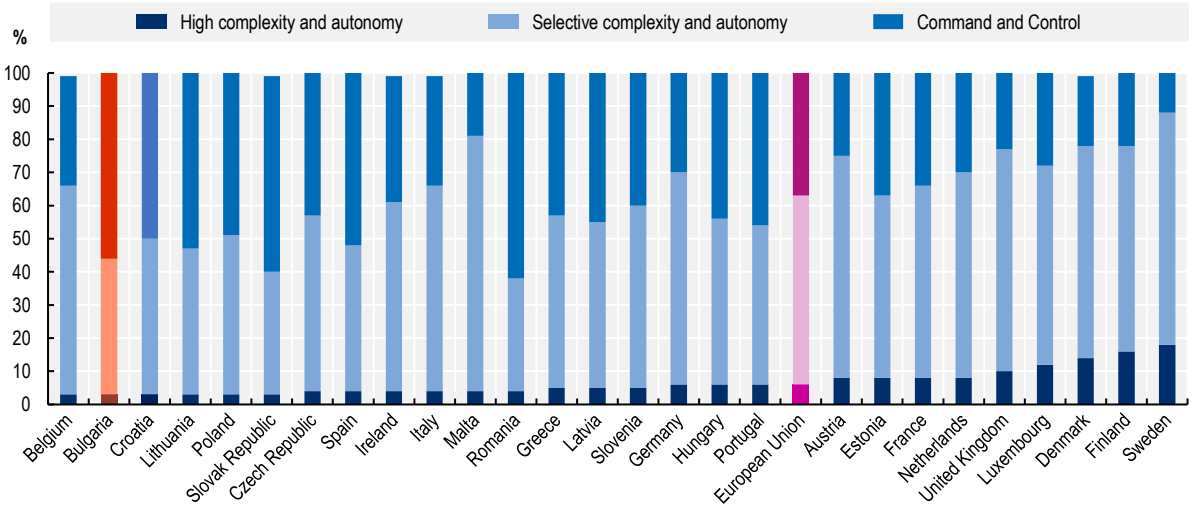


Note: This index measures the level of work demands in the job based on quantitative demands (working fast), time pressure (having tight deadlines, not having enough time to do the job), frequent disruptive interruptions, pace determinants and interdependency, and emotional demands. A total of 13 questions are included in the index.
Source: Eurofound and CEDEFOP (2020[70]), European Company Survey 2019: Workplace practices unlocking employee potential, www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20001en.pdf.

A more recent skills survey conducted by the World Bank Group (Hristova and Ferre, 2022[71]) in selected high carbon-emitting industries in Bulgaria showed a rather low intensity and complexity of the use of foundational cognitive skills (reading, writing and numeracy skills) at work. The survey results also indicated that about 30% of those employed in high-skill occupations make no/limited use of their reading and numeracy skills at work, and 64% make very limited use of their writing skills. Workers in low- and medium-skilled occupations and older workers make very limited use of computers at work. Skills use is particularly low in small- and medium-sized Bulgarian firms and the public sector, while highest in international companies.

One likely reason for low skills use is the lack of HPWPs in Bulgarian workplaces. Bulgaria has relatively few "high autonomy-high complexity" workplaces (3%), in which managers create the conditions for workers to work autonomously, workers organise their work schedule independently, and workers find solutions to unfamiliar problems, etc. (Figure 4.6). By contrast, Bulgaria has relatively many "command and control" workplaces in which the aforementioned behaviours are uncommon. Furthermore, training courses during work hours, another type of HPWP, are relatively uncommon in Bulgaria (although on-the-job training is common), in part because a high share of enterprises perceives training of low importance (32%, compared to 25% for the European Union) (see Chapter 3).

Figure 4.6. Workplace type by job complexity and autonomy, 2019



Note: The three groups of workplaces in this figure differ in the extent to which managers in the workplace create the conditions for workers to work autonomously, self-directed teams exist, and workers need to find solutions to unfamiliar problems. These conditions are most prevalent in "High complexity and autonomy" workplaces and least prevalent in "Command and control" workplaces.
Source: Eurofound (2019[67]), European Company Survey 2019, www.eurofound.europa.eu/surveys/data-visualisation/european-company-survey-data-visualisation.

Bulgaria workplaces have mixed performance in utilising financial and non-financial HPWPs to motivate workers. A relatively high share of workplaces in Bulgaria (25%, compared to 13% for the European Union) have comprehensive approaches to variable pay, in which key forms of variable pay are very likely to be used (payment by results, individual performance-related pay, group performance-related pay, profit-sharing schemes), and they are likely to be applied to a large proportion of, if not all, employees (Eurofound, 2019[67]). On the other hand, Bulgaria has relatively few "high expectations-high investment" workplaces (17%, compared to the EU average of 29%), in which discretionarily helping colleagues, making suggestions and being willing to stay longer when work requires it, etc. are very important. Increasing HPWPs in Bulgarian workplaces could increase skills use and yield benefits for workers, enterprises and the economy.

Skills use and HPWPs are all but absent from Bulgarian policy dialogue today, despite the challenges and opportunities the country faces in these areas. Instead, Bulgarian skills policy is concentrated on increasing the skill levels of the population and workforce through skills development policies; traditional supply-side approaches to skills are needed, as discussed in previous chapters (see Chapters 2 and 3). As in several countries, this focus likely reflects that there is little precedent for public intervention at the workplace level and that policy makers lack clarity about their options to support skills use at this level (OECD/ILO, 2017[3]). However, Bulgaria cannot overlook the importance of the demand side of how employers are using skills in the workplace.

In order to realise the benefits of effectively using workers' skills at work, Bulgaria should support enterprises to implement HPWPs and use workers' skills more effectively. Governments can raise awareness about better skills use, disseminate good practices, develop diagnostic tools to help firms identify room for improvement, promote knowledge transfer and offer management skill development programmes (OECD, 2019[53]). For Bulgaria, it should first raise awareness and set a vision and strategy for skills use at work and HPWPs. Second, Bulgaria should develop concrete measures to support employers, especially SMEs, to implement HPWPs and raise skills use. Doing so could also help the country capture a new source of productivity growth and mitigate the challenges of a shrinking labour force.

Raising awareness of effective skills use in Bulgarian workplaces

Bulgaria will need to raise awareness of skills use at work and HPWPs through inclusion in national, regional and sectoral strategies, as well as disseminating knowledge and good practices on HPWPs through targeted campaigns and online information.

A number of existing Bulgarian strategies, policies and programmes cover elements of skills use and HPWPs; however, not as an explicit, standalone policy goal. In addition to the Employment Strategy of the Republic of Bulgaria (2021-2030) (Table 4.1), these include the OPHRD (2021-2027) and the National Strategy for SMEs (2021-2027), among others (Table 4.7).

Table 4.7. Bulgaria's main strategies and programmes related to skills use at work and high-performance workplace practices

Strategy/policy/programme	Responsible ministry/actor	Description
Operational Programme for Human Resource Development (OPHRD) (2021-2027)	Ministry of Labour and Social Policy	The OPHRD (2021-2027) includes measures to improve the work environment, introduce flexible forms of work and improve work organisation (Special objective 4). It also aims to improve workers' skills by providing vouchers for training, assessment and certification of skills.
National Strategy for SMEs (2021-2027)	Ministry of the Economy and Industry	The Bulgarian SME strategy includes measures related to HPWPs in the area of Action 4 "digitalisation and skills". The most relevant measures include increasing workplace digitalisation and skills and the organisation of trainings.
Voucher Scheme for Providing ICT Services to SMEs	Bulgarian Small and Medium Enterprise Promotion Agency (BSMEPA)	This scheme provides incentives through a voucher scheme for small- and medium-sized enterprises (SMEs) to connect with information and communications technology (ICT) service providers to improve their use of ICTs. The specific objective is to promote the use of new ICT-based business models and enhance the digitisation of SMEs.
Project on "Supporting the internationalisation of Bulgarian enterprises through trade missions, business forums, conferences, contact exchanges and bilateral meetings"	BSMEPA	This project supports SME internationalisation through the organisation of international events, such as trade missions, business forums, conferences, bilateral meetings, etc., which aim to assist SMEs with export opportunities in establishing direct contacts with their potential foreign partners and creating or expanding effective trade and production co-operation.
Project on "Participation of SMEs in international fairs, exhibitions and conferences at home and abroad"	BSMEPA	This project supports the export activities of SMEs in Bulgaria to enable the establishment of direct contacts with foreign partners through the organised presence at fairs, exhibitions and conferences.
National Innovation Fund	BSMEPA	The objective of the fund is to promote the implementation of scientific and research and development projects with the aim of acquiring new or improved products, processes or services designed to raise the economic efficiency and improve the innovative potential and technological level of enterprises.

Source: Government of Bulgaria (2022[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

The Employment Strategy of the Republic of Bulgaria (2021-2030) includes an objective of "promoting new forms of work", which can be an important component of the HPWP of flexibility. However, the strategy does not link this objective to skills use or HPWPs. Other examples are the OPHRD (2021-2027) and the Recovery and Resilience Plan, which envision the provision of vouchers for skills training and the assessment and certification of skills. However, training is only a small component of HPWPs (Box 4.9) and is covered by Chapter 3.

Bulgaria lacks a clear vision for fostering skills use or HPWPs in Bulgarian workplaces. It should include them explicitly in national strategies and action plans in a co-ordinated way, involving ministries and social partners.

As noted earlier, there also appears to be a limited understanding of the importance and concepts of skills use at work and HPWPs in Bulgaria generally. The project participants noted that the topic is not prioritised or well understood, with the only information on the topics in Bulgarian to be found in specialised publications and human resources textbooks. While some larger corporations appear to be familiar with the concepts and importance of HPWPs under different names (e.g. human resource management [HRM], lean management, etc.), SMEs lack this familiarity. Indeed, part of the challenge is that Bulgaria does not collect data on skills use and HPWPs within enterprises and participates in very few international surveys that do (e.g. Eurofound's ECS and EWCS). For example, Bulgaria is not part of the OECD's Survey of Adult Skills (PIAAC), which assesses the frequency with which workers use various skills they possess in the workplace.

Awareness of the importance of effective skills use could be raised by informing employers, managers and entrepreneurs about the relevance of workplace innovations and the benefits for their companies. To raise the motivation of employers, managers and entrepreneurs to adopt these practices, benefits should be made tangible and clear, especially given that the benefits of HPWPs are not always directly visible. For instance, results from their implementation, such as a rise in productivity, take time (OECD/ILO, 2017[3]).Information on workplace practices should be concrete, applicable and relatable; for instance, by showing examples of good practices.

Different formats could also be used to raise awareness of new and innovative workplace practices. The government and stakeholders could raise awareness through campaigns, as in Poland and the Netherlands (Box 4.11). Contests for best-performing companies are considered effective in bringing public attention to workplace practices, encouraging companies to rethink their activities, and helping to change organisational culture. The government and stakeholders could more actively use different types of media, including social media, to make campaigns more targeted and ensure that groups most in need are reached. This should be complemented with government-supported networking and peer-learning opportunities for enterprises (see Recommendations 3.10 and 3.11).

Awareness of HPWPs could also be raised through centralised online information. Bulgaria has developed an online Business Guide for Small and Medium-Sized Enterprises to facilitate SMEs' access to relevant information. During the COVID-19 pandemic, Bulgaria also created an online one-stop-shop service for SMEs, providing them with information on support policies. The information from these websites could be expanded to cover skills use and HPWPs. A tool and/or subsidised consultations to assess enterprises' skills and training needs could be expanded to include a module on skills use and HPWPs within workplaces (see Chapter 3). These could be the first steps to motivate employers, managers and entrepreneurs to change their organisational culture and workplaces, complemented by more concrete support, as discussed in the next section.

Various institutions and organisations could also play a role in raising awareness about skills use and good workplace practices. These include the Bulgarian Small and Medium Enterprise Promotion Agency (BSMEPA), employer associations and trade unions, and even municipalities and the NEA in their dealings with employers. Indeed, some good practices for HPWPs originate with social partners in Bulgaria (Box 4.10). Planned sectoral skills councils could likewise help to raise awareness of the concepts, importance and benefits of skills use and HPWPs in the workplace (see Chapter 5).

Box 4.10. Relevant national practices: Raising awareness of effective skills use in Bulgarian workplaces

Bulgaria: The Confederation of Independent Syndicates' HRM system

The Confederation of Independent Syndicates in Bulgaria (KNSB/CITUB) is Bulgaria's largest trade union, with over 300 000 members, 36 branch organisations and around 200 staff. CITUB seeks to implement modern human resource and performance management practices for its own staff. It implemented an HRM system involving procedures and indicators for the performance-based appraisal of employees at the CITUB headquarters, the Institute for Social and Trade Union Studies and the territorial structures of the CITUB.

The objectives of the employees' performance-based evaluation are wide-ranging. They include: monitoring professional qualifications, experience and compliance with job descriptions; establishing objective prerequisites and criteria for material/financial incentives; assessing staff training needs; and improving work processes and teamwork. Employee appraisals may take place in annual evaluation meetings, during organisational/structural changes in the CITUB, after probationary periods, etc. The results of annual appraisals inform the CITUB's overall remuneration rules, training plan, motivation and career development system, and reserve personnel system.

As a result of CITUB's positive experiences with these practices, the union is trying to encourage similar human resource and performance management practices by having them included in collective agreements for all sectors.

Box 4.11. Relevant international practices: Raising awareness of effective skills use in workplaces

Poland: Leader in Human Resource Management initiative

The Leader in Human Resource Management initiative by the Institute of Labour and Social Studies (Instytut Pracy i Spraw Socjalnych, IPiSS), launched in 2000, emphasises the strategic role of human capital in an organisation and appreciates the specific efforts of participants in the field of HRM. The goals of the competition are to disseminate knowledge in the field of HRM; identify effective solutions; disseminate good practices; create standards for HRM in the context of the Polish economy; and support companies' increased efficiency. The competition covers almost all areas of HRM, including recruitment, assessment, employee development practices, remuneration, terms and conditions of employment, corporate social responsibility and work-life balance.

European Union: European Workplace Innovation Network (EUWIN)

In Europe, the European Commission created EUWIN in 2013 to stimulate awareness of workplace innovation and to share knowledge and experience between enterprises, researchers, social partners, and policy makers through conferences, workshops, film, social media and an online knowledge bank. EUWIN has reached over ten thousand people and companies through conferences and workshops, and hundreds of thousands of users have accessed case studies, articles and evidence on EUWIN's Knowledge Bank. EUWIN guided the development of major new policy initiatives for workplace innovation in the Basque Country, Scotland (United Kingdom) and elsewhere. While EU funding ceased at the end of 2017, EUWIN has continued to function as a network run by its partners, supporting activities in several countries and promoting workplace innovation in European policy frameworks.

The Netherlands: Regional initiatives to raise awareness of HPWPs

In the Netherlands, various initiatives led by the government, companies and knowledge institutes aim to increase the awareness and managerial applicability of HPWPs. For example, the region of Noord-Brabant is one of the leading regions in the Netherlands on various types of innovation. In this region, companies can win a Social Innovation Award as recognition for a promising HPWP initiative.

The Expedition Social Innovation, funded by the Dutch government, involves a group of entrepreneurs and managers meeting and discussing what HPWPs can mean for their organisations and how they can introduce these practices in their workplaces.

Source: OECD, (2019[72]), *OECD Skills Strategy Poland*, https://doi.org/10.1787/b377fbcc-en; OECD/ILO (2017[3]), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, https://dx.doi.org/10.1787/9789264281394-en; OECD (2017[73]), *OECD Skills Strategy Diagnostic Report: Netherlands 2017*, https://doi.org/10.1787/23078731; European Workplace Innovation Network (2023[74]), European Workplace Innovation network, https://workplaceinnovation.eu/about-euwin/.

Recommendations for raising awareness of effective skills use in Bulgarian workplaces

Recommendations

3.9 **Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills**. In its Action Plan for Skills, Bulgaria should explicitly articulate the potential benefits and a vision for implementing HPWPs and effectively using skills in Bulgarian workplaces. It should set concrete goals and targets for skills use and HPWPs and collect data from employers to monitor the achievement of these goals. The ministries of employment, education, economy and others, as well as social partners, should co-ordinate to develop these goals for skills use and HPWPs to ensure their suitability and coherence with other strategies and goals (e.g. the National Strategy for SMEs [2021-2027]). This process should include clearly allocating responsibility for achieving goals and targets and developing a comprehensive suite of programmes and measures to support employers in implementing HPWPs (see Recommendations 3.11 and 3.12).

3.10 **Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals**. Bulgaria should improve data on skills use and HPWPs in workplaces, for example, by participating in the Survey of Adult Skills (PIAAC) and/or running its own surveys. The BSMEPA, other agencies with responsibilities for enterprises and innovation, and social partners should co-ordinate to raise awareness among enterprises of skills use at work and HPWPs. Bulgaria should disseminate information on the concepts and benefits of skills use and HPWPs, good practices from enterprises, and available support from the government for HPWPs (see Recommendations 3.11 and 3.12) to all groups and sectors of employers. They should centralise this information on the existing one-stop-shop portal for SMEs and update existing resources (such as the Business Guide for Small and Medium-Sized Enterprises) with this information. These actors should consider developing a campaign that includes recognising/awarding high-performing companies and promoting skills use at work and HPWPs on social media channels.

Supporting employers to improve skills use and adopt high-performance workplace practices

Promoting HPWPs by raising awareness of their relevance can facilitate their adoption in workplaces. However, this may not be sufficient, as for many businesses, especially SMEs, a lack of capacity prevents them from adopting HPWPs (OECD/ILO, 2017[3]). Project participants confirmed that SMEs, in particular, lack the capacity to modernise workplace practices. Therefore, to improve the use of skills and the adoption of HPWPs, the government should also provide targeted support to enterprises.

Bulgaria lacks measures to support enterprises to adopt HPWPs (Table 4.7). As noted earlier, governments can raise awareness about better skills use, disseminate good practices and promote knowledge transfer (see the previous section), as well as develop diagnostic tools and offer management skill development programmes to support the implementation of HPWPs (OECD, 2019[53]). The BSMEPA's voucher scheme, for example, helps enterprises access support to upgrade their ICT skills, thus fostering the digitalisation of Bulgarian SMEs. However, digitalisation in and of itself may not increase skills use. As another example, the BSMEPA's project supporting the internationalisation of Bulgarian enterprises may expose enterprises to other firms employing HPWPs, but this would only be a secondary, unintentional benefit of the programme. Bulgaria follows the principles of the Small Business Act (SBA), the European Union's overarching framework on SMEs to improve entrepreneurship and simplify the regulatory and policy environment for SMEs. However, Bulgaria's performance across the different elements of the SBA is below the EU average (European Commission, 2019[75]) and the lowest of all EU countries in the area of skills, innovation and entrepreneurship.

Bulgaria could potentially build on its existing programmes to support enterprises to adopt HPWPs. For example, it could expand its current voucher scheme for ICT investments and planned vouchers for training and skills recognition to cover a broader range of workplace innovations. Alternatively, it could create a separate voucher scheme focused on HPWPs more broadly. Furthermore, there may be scope to make peer learning and good practice sharing on HPWPs an explicit goal and feature of business forums, conferences, meetings, etc. run as part of the BSMEPA's export-oriented projects. Indeed, during the OECD project, the Bulgarian-Swiss Chamber of Commerce explained that it frequently organises events and projects during which Bulgarian suppliers/subsidiaries can meet and learn good practices from their Swiss counterparts (e.g. lean management, HRM, etc.) (Box 4.12).

Bulgaria could also adapt good practices from other countries to support enterprises in adopting HPWPs (Box 4.13). For example, it could subsidise mentoring and coaching for businesses to strengthen the adoption of HPWPs. Mentoring and coaching programmes are by nature tailored and are often successful in changing organisational practice by supporting and guiding the responsible management in adopting HPWPs (OECD/ILO, 2017[3]). Mentors and coaches could bring the required specialised, technical expertise on work organisation, job design, and human resource development practices to the company, help to ensure employer buy-in and positively affect change. This mentoring and coaching could be integrated with subsidised consultants who support enterprises in assessing their skills and training needs (see Chapter 3). Bulgaria could also strengthen management and leadership skills by ensuring a sufficient supply of high-quality management training courses in higher education and other institutions for business professionals (see Chapter 3). Employer associations and institutions should co-operate to develop these courses.

Box 4.12. Relevant national practice: Supporting employers to improve skills use and adopt high-performance workplace practices

Bulgaria: Business Partnerships for Better Society (B2B 4 CSR)

The Bulgarian-Swiss Chamber of Commerce (BSCC) implemented the project Business Partnerships for Better Society (B2B 4 CSR), which aims to foster partnerships between Bulgarian and Swiss companies in the areas of electronics and the production of furniture and plastic materials. The project involved creating networking opportunities between companies, including through business forums in Switzerland and Bulgaria. The conversations and presentations focused on doing business in Bulgaria and working with Swiss companies.

In the context of these events, Bulgarian suppliers/subsidiaries have had the opportunity to learn about HPWPs from their Swiss counterparts. These have covered, for example, how to implement lean management and effective HRM. A major focus of peer learning has been dual education, which has been in practice since 2015. The BSCC has organised 8 travel groups, consisting of representatives of more than 50 Bulgarian companies and 16 Bulgarian VET schools, who were able to visit more than 20 Swiss companies from similar industries, which provide dual education, as well as Swiss VET schools. This project is supported by a grant from Switzerland through the Partnership and Expert Fund.

Source: Bulgarian-Swiss Chamber of Commerce (2017[76]), *"Business partnerships for better society" (B2B 4 CSR) – BSCC*, https://bscc.bg/en/projects/b2b-4-csr/.

Box 4.13. Relevant international practices: Supporting employers to improve skills use and adopt high-performance workplace practices

New Zealand: High-Performance Working Initiative

New Zealand has centred its pursuit of workplace innovation on improving productivity performance and has singled out the poor use of skills in workplaces as a key policy issue. The High-Performance Working Initiative provides business coaching for SMEs to help streamline work practices to improve performance while also increasing employee engagement and satisfaction. Business improvement consultants work with firms to improve their productivity. Funding is provided by the government agency Callaghan Innovation, with the firm providing half the funding.

Australia: Examples of increasing innovation and productivity in firms

In Australia, policy engagement with HPWPs has been driven by a perceived need to increase innovation and productivity. A number of Australian initiatives have sought to promote best practices in this area, from the Best Practice Demonstration Programme in the early 1990s to the more recent Partners at Work Grants Programme in Victoria. This programme offers competitive grants to assist workplace changes that benefit all stakeholders and is designed to encourage the development of co-operative workplace practices. It provides funding to support the appointment of consultants to work with organisations and for relevant training investments.

Singapore: Initiatives to support the adoption of HPWPs

In Singapore, interventions that support the adoption of HPWPs involve funding and other types of support for employers to reshape their workplaces and move towards higher value-added production. These can include strengthening human resource systems to better link skills acquisition to career trajectories; hiring consultants to review compensation structures to retain skilled workers; or hiring consultants to assess the training needs of an organisation and to adapt available training to these specific needs. An example of such a programme is the Enterprise Training Support scheme. Introduced in 2013, the scheme aims to: 1) raise employee productivity and skill levels; 2) attract and retain employees by developing good HRM systems and practices tied to training; and 3) attract and retain valued employees by benchmarking compensation and benefits.

Source: OECD (2019[72]), *OECD Skills Strategy Poland: Assessment and Recommendations*, https://doi.org/10.1787/b377fbcc-en; OECD/ILO (2017[3]), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, https://dx.doi.org/10.1787/9789264281394-en.

Recommendations for supporting employers to improve skills use and adopt high-performance workplace practices

Recommendations

3.11 **Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals**. Bulgaria should create opportunities for enterprises, particularly SMEs, to meet and learn about good practices for implementing HPWPs. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop peer-learning conferences, seminars and workshops. These should allow firms to learn from other Bulgarian and international firms in their sector or supply chain who have proven experience implementing HPWPs. The ministries should subsidise these events, including having international experts attend to present on different areas of HPWPs. These events should be promoted as part of broader awareness-raising initiatives on skills use at work and HPWPs (see Recommendation 3.10) and be used to point enterprises to available support for implementing HPWPs (see Recommendation 3.12).

3.12 **Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs**. Bulgaria should pilot public subsidies for consultants, mentors or coaches to provide tailored, one-on-one advice to SMEs about implementing HPWPs. This could be achieved through a voucher scheme or other financial scheme. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop these services, building upon existing advisory services being offered to enterprises (e.g. in the areas of ICT and export market development). Alternatively, Bulgaria could consider making these services part of advisory services to enterprises to assess their skills and training needs (see Chapter 3). The results of the pilot should be closely monitored, and the service should be improved as needed in light of the pilot results.

Summary of policy recommendations

Policy directions	High-level policy recommendations
Opportunity 1: Activating the skills of vulnerable groups in the labour market	
Connecting more vulnerable adults to public employment services	3.1 Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency and participate in active labour market policies by making benefits more accessible and generous. 3.2 Evaluate the efficacy of Bulgaria's existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes.
Expanding and tailoring employment services for vulnerable groups of adults	3.3 Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs. 3.4 Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes by increasing the supply and demand for these programmes.
Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria	
Prioritising return emigration and skilled immigration in Bulgaria's skills agenda	3.5 Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration. 3.6 Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies.
Reaching and supporting return migrants and skilled immigrants	3.7 Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria. 3.8 Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society.
Opportunity 3: Supporting enterprises to utilise workers' skills more effectively	
Raising awareness of effective skills use in Bulgarian workplaces	3.9 Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills. 3.10 Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals.
Supporting employers to improve skills use and adopt high-performance workplace practices	3.11 Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals. 3.12 Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs.

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Notes

1. CEEC include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia.

2. This value should be used with caution, as it has low reliability due to a small sample size or high non-response rate.

5 Improving the governance of the skills system in Bulgaria

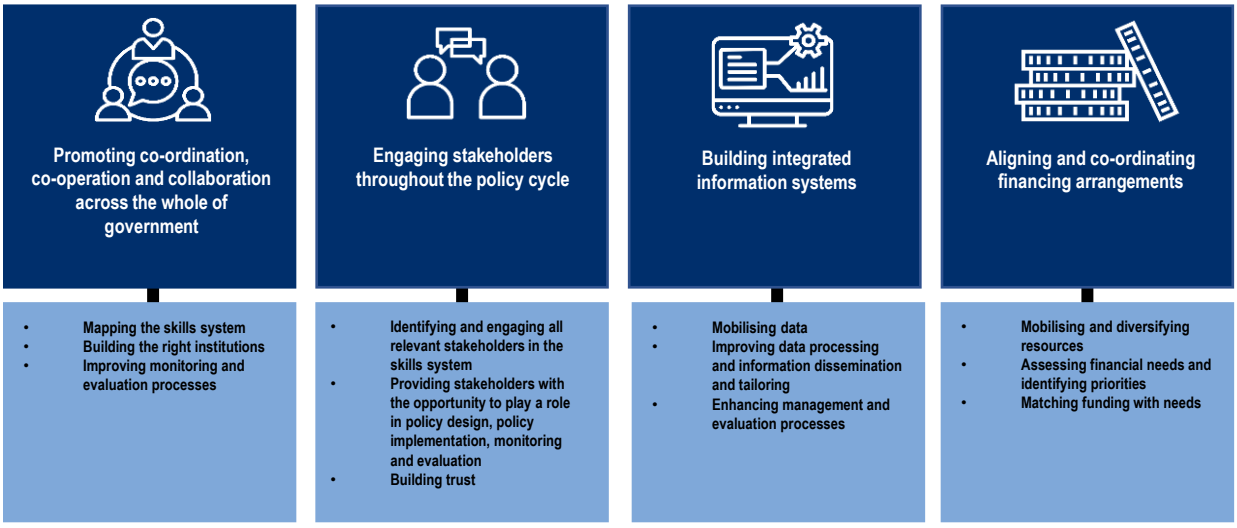
Effective skills governance arrangements facilitate co-ordination across the whole of government, support the effective engagement of stakeholders and enable the development of integrated information systems and co-ordinated skills financing arrangements. This chapter reviews the current practices and performance of Bulgaria's skills governance. It then explores three opportunities to strengthen the governance of Bulgaria's skills policies: 1) developing a whole-of-government and stakeholder-inclusive approach to skills policies; 2) building and better utilising evidence in skills development and use; and 3) ensuring well-targeted and sustainable financing of skills policies.

The importance of improving the governance of the skills system

A wide range of actors have an interest in and influence the success of policies to develop and use people's skills. They include central government ministries and agencies, subnational authorities, such as municipalities, education and training institutions, workers and trade unions, employers and their associations, civil society organisations and more. As a result, skills systems are complex and multi-faceted and require effective co-ordination between a wide variety of actors to design, implement, evaluate and fund skills policies.

The OECD identifies four distinct but interconnected pillars central to developing an effective approach to skills governance. They include: promoting co-ordination, co-operation and collaboration across the whole of government; engaging stakeholders effectively throughout the policy cycle; building integrated information systems; and aligning and co-ordinating financing arrangements (Figure 5.1).

Figure 5.1. Four pillars for strengthening the governance of skills policies



Source: OECD (2019[1]), OECD *Skills Strategy 2019: Skills to Shape a Better Future*, https://doi.org/10.1787/9789264313835-en.

The first pillar emphasises the importance of co-ordination across the whole of government (a "whole-of-government approach"). This includes horizontal co-ordination between the ministries directly responsible for skills policies, and with those indirectly impacting skills policies (such as the ministries of finance via their roles in funding decisions). A whole-of-government approach also includes vertical co-ordination between different levels of government, from central government to regional authorities and municipalities.

The second pillar emphasises the importance of stakeholder engagement in skills policies. Stakeholder engagement can occur during policy design, implementation and evaluation and ranges from stakeholders voicing their interests or concerns to taking responsibility for implementing skills policies. Effective engagement can provide important intelligence for policy makers and build stakeholders' buy-in to reform, all of which help to ensure the success of skills policies.

The third pillar recognises that integrated information systems on skills needs and outcomes are necessary for the actors in the skills system to cope with the inherent complexity and uncertainty of skills investments. Such systems help governments develop evidence-based skills policies; learning institutions to provide relevant and responsive courses; employers to plan hiring and training; and individuals to make informed learning and career decisions.

The final pillar underscores the necessity of aligning and co-ordinating financing arrangements within skills policy. This includes the need to respond to financial challenges, such as the potential reallocation of funding commitments across different elements of the skills system (e.g. between initial and adult vocational education and training [VET], higher education, active labour market policies [ALMPs], etc.), dedicated funding commitments for strategic goals, and making the most efficient use of external funding (e.g. the European Social Fund).

These four pillars of skills governance represent enabling conditions for developing and using people's skills effectively, as discussed in Chapters 2, 3 and 4 of this report. For example, without integrated skills information systems informing the supply and demand for learning programmes, youth (Chapter 2) and adults (Chapter 3) may not develop the skills most needed in work and life, thereby perpetuating skills imbalances. Likewise, without effective stakeholder engagement to design tailored policies and targeted and sustainable funding arrangements, policies for activating the skills of out-of-work adults (Chapter 4) may be ineffective.

Overview and performance

Overview of Bulgaria's current governance arrangements

Bulgaria's two levels of government – national and municipal – have formal skills policy responsibilities (Table 5.1). At the national level, the management of education institutions and the formal education and training system overall comes under the Ministry of Education and Science (MES). The Ministry of Labour and Social Policy (MLSP) is responsible for the National Employment Agency (NEA) and its programmes, including the delivery of some VET programmes by education institutions for unemployed adults. Other ministries have more limited responsibilities and activities in the area of skills.

These ministries are responsible for a range of skills-related strategies (see Chapter 1), including the National Development Programme "Bulgaria 2030", the Strategic Framework for the Development of Education, Training and Learning (2021-2030), the National Strategy for Employment (2021-2030), the Strategy for the Development of Higher Education (2021-2030), the Innovative Strategy for Smart Specialisation (2021-2027) and the National Strategy for Small and Medium Enterprises (2021-2027), among others. Each ministry has distinct objectives and processes, key success indicators and timetables while also depending on other ministries and agencies to achieve its objectives. To help ensure the achievement of these strategies, MES will work with other ministries and stakeholders to develop an action plan for skills policy, with support from the Directorate-General for Structural Reform Support (DG REFORM) of the European Commission and the OECD (OECD, 2021[2]).

Beyond the national level, MES also has 28 regional departments of education (REDs) whose task is to create the conditions for implementing the state education policy. REDs provide a forum for co-ordination between different education and training providers and stakeholders, and monitor compliance with the state educational standards, within regions (Eurydice). Furthermore, the constitution gives Bulgaria's 265 municipalities a relatively broad set of powers and autonomy, including in skills policy. Municipalities have state-delegated competencies for primary and secondary education, and welfare and social protection, among others. However, most Bulgarian municipalities are financially dependent on fiscal transfers and policy direction from the central government as their own revenue sources and capacity are limited.

Table 5.1. Bulgaria's main actors, roles and responsibilities related to skills governance

Actor	Roles/responsibilities
National authorities and agencies	
Ministry for Education and Science (MES)	MES is responsible for Bulgaria's education system, including vocational education and training (VET), lifelong learning and higher education. MES' key skills-related activities include updating official lists of qualifications and competencies, funding educational institutions and overseeing key educational institutions. The National Development Programme "Bulgaria 2030" tasks MES with co-ordinating all levels of education and training and creating a clear division of responsibilities between relevant national and/or regional authorities, providing analytical and administrative capacity at all levels for planning, monitoring and evaluating the policies in education and improving the system of higher education management (with a balance between academic autonomy and state and public interests). The Strategic Framework for the Development of Education, Training and Learning (2021-2030) tasks MES to oversee data collection and reporting mechanisms, establish competencies for education institutions and develop sectoral clusters of VET schools.
Ministry for Labour and Social Policy (MLSP)	The MLSP is responsible for employment, welfare and social protection policy in Bulgaria, including active labour market policies (ALMPs). The ministry's key skills-related activities include employment and skills forecasting and oversight of key agencies in Bulgaria's skills ecosystem, including the National Employment Agency (NEA). The Partnership Agreement for European Structural and Investment Funds (ESIF) (2021-2030) tasks the MLSP with better anticipating employers' workforce needs to improve matching between education, training and business; strengthening interaction between labour market institutions, education, training systems and employers; building the administrative capacity of the NEA to identify and meet the skills needs of the labour market; and improving the labour market matching services and quality of the NEA.
Ministry for Innovation and Growth (MIG)	MIG is responsible for innovation and economic growth policies at the national and local levels. The ministry's key skills-related responsibilities include funding for innovation and research and development (R&D) activity; the development of industrial parks; and the designation of centres of excellence in VET and higher education. The Innovative Strategy for Smart Specialisation (2021-2027) tasks MIG with improving human capital; strengthening the relationship between higher education and labour market requirements; stimulating training in technical and engineering specialities; enhancing practical training in higher education; reforming vocational training and qualifications and promoting lifelong learning; promoting the internationalisation of innovations; improving the quality of research; and addressing the brain drain phenomenon.
Ministry for Economy and Industry (MEI)	The MEI is responsible for general economic policy in Bulgaria. The MEI's key skills-related activities include implementing the digital transformation of Bulgarian industry (Industry 4.0) and implementing aspects of Bulgaria's smart specialisation strategy. The MEI participates in the processes of updating, consulting and formulating educational policies in the context of economic development through involvement in the Consultative Council for Vocational Education and Training (CCVET) at the political level and involvement in the expert group supporting CCVET at the expert level.
Ministry for Regional Development and Public Works (MRDPW)	The MRDPW is responsible for local and regional (municipal level) government. More specifically, the MRDPW's skills-related activities include responsibility for delivering some education, skills and employment activities at the local and regional levels, including policy delivery, funding and collecting key data on skills needs, the performance of programmes/institutions and stakeholder involvement.
Ministry for Culture	The Ministry for Culture is responsible for culture and arts overall, but in relation to the education and skills system, this includes arts schools in both the initial and continuing education and training system.
Ministry for Youth and Sports	The Ministry for Youth and Sports is responsible for youth issues and sports overall, but in relation to the education and skills system, this includes specialist sports schools in both the initial and continuing education and training system.
Subnational authorities	
Regional departments of education (REDs)	These 28 departments are regional administrative structures under the purview of MES and are located in each of the country's 28 regions. They are responsible for implementing state education policy within their regions, including monitoring compliance with state educational standards and other national laws and regulations. In addition, REDs co-ordinate between schools and other regional or local bodies, such as local governments and employers.

Actor	Roles/responsibilities
Municipalities	Municipalities are responsible for education and skills governance at the local level. Municipal education authorities implement local education policy, including conducting and supervising compulsory school education and overseeing enrolment, access to education and inclusion in the education system. Municipal educational institutions are funded through municipal budgets.
Non-government stakeholders	
Education and training providers	Education and training providers are responsible for imparting knowledge and skills over the life course. Education and training providers in Bulgaria include early childhood, primary and secondary schools; VET gymnasiums and colleges; universities and tertiary colleges; VET centres, community cultural centres (*chitalishta*), enterprises, trade unions and employers' organisations.
Employers and associations	Employers engage with the larger Bulgarian skills system through the dual training system, in which employers and education and training providers partner to incorporate practical training for students in a real work setting and through providing or supporting training their employees. Some employers' associations offer training or even operate centres for continuous education and training.
Workers and trade unions	Trade unions sometimes organise trainings or seminars for members, often on an ad hoc basis. A number of these trainings are also open to individuals who are not part of the trade union.

Source: Government of Bulgaria (2022[3]), Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria.

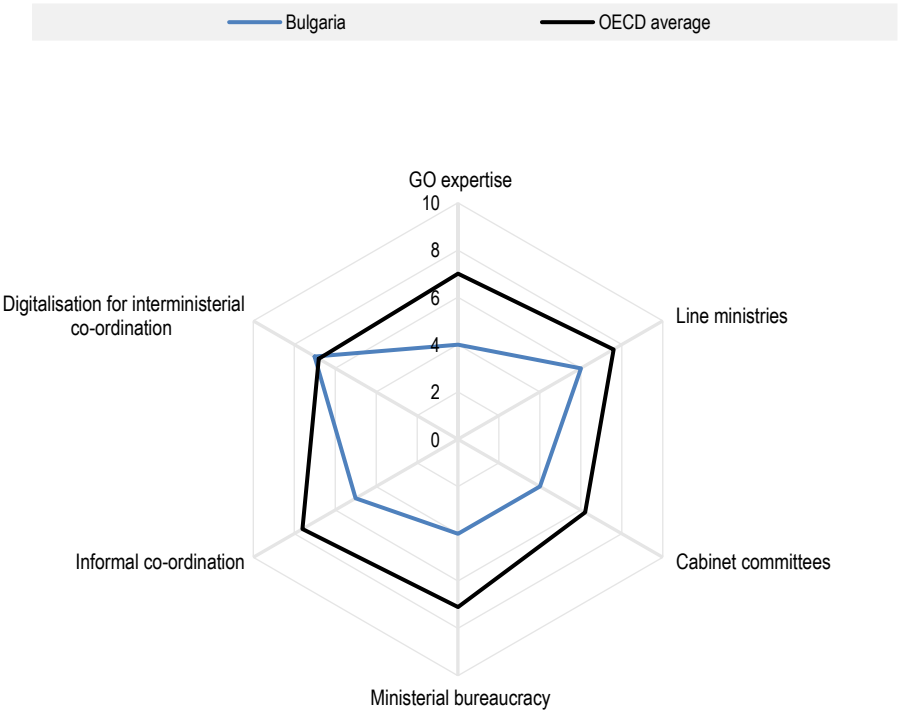
Bulgaria's performance in skills governance

Whole-of-government co-ordination and capacity

Bulgaria's performance in horizontal co-ordination between national ministries and agencies and in vertical co-ordination with subnational authorities is relatively low, including for skills policies. Project participants stated that policy design and delivery are often fragmented and poorly co-ordinated. As noted in Chapter 1, while not limited to skills policy, the Bertelsmann Foundation's 2022 Sustainable Governance Indicators (SGI) scores Bulgaria's performance in inter-ministerial co-ordination below the OECD average (Figure 5.2) and ranks it 37th of 41 countries (Stanchev, Popova and Brusis, 2022[4]). This result reflects Bulgaria's low performance in several domains, including the government office's limited capacity to evaluate ministries' policy proposals, the lack of formal cabinet or ministerial committees to co-ordinate such proposals, and limited inter-ministerial co-ordination by senior civil servants. Vertical co-ordination with subnational actors (especially municipalities) is hampered by these actors' limited capacity and the lack of a central institution to oversee the skills system and bring subnational actors to the table. More generally, public governance in Bulgaria, including of the skills system, has been hampered by instability arising from repeated short-lived coalitions and caretaker governments (Stanchev, Popova and Brusis, 2022[4]).

Inter-ministerial co-ordination is not effectively mitigating against complexity and fragmentation in Bulgaria's skills system, or assuring effective strategic planning, implementation or monitoring of priorities. Project participants often raised these challenges, with some stating that ineffective inter-ministerial co-ordination had led to a plethora of related projects being started by different ministries. Many of these have not been fully implemented or evaluated since the initial project funding expired. This "churn" in developing and introducing new policies and instruments is indicated by, for example, the estimated 27 amendments to the VET Act since 1999 (European Commission ESIF and World Bank, 2020[5]).

Figure 5.2. Bulgaria's performance in inter-ministerial co-ordination



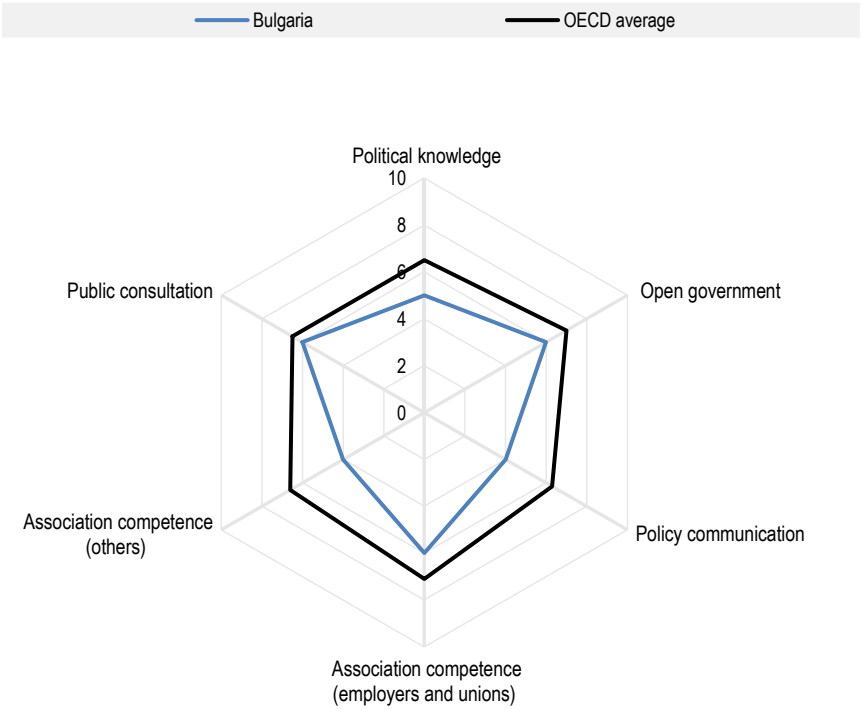
Note: 0 is lowest, 10 is highest rating. Government office (GO) expertise: Does the government office/prime minister's office (GO/PMO) have the expertise to evaluate ministerial draft bills substantively? Line ministries: To what extent do line ministries involve the GO/PMO in the preparation of policy proposals? Cabinet committees: How effectively do ministerial or cabinet committees co-ordinate cabinet proposals? Ministerial bureaucracy: How effectively do ministry officials/civil servants co-ordinate policy proposals? Informal co-ordination: How effectively do informal co-ordination mechanisms complement formal mechanisms of inter-ministerial co-ordination? Digitalisation for inter-ministerial co-ordination: How extensively and effectively are digital technologies used to support inter-ministerial co-ordination.
Source: Bertelsmann Stiftung (2022[6]), *Sustainable Governance Indicators*, https://www.sgi-network.org/2022/Bulgaria.

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Stakeholder engagement

Bulgaria's performance in stakeholder engagement is also relatively low, including for skills policies, but appears to be improving. Again, as noted in Chapter 1, the Bertelsmann Foundation's 2022 SGI ranked Bulgaria's performance in stakeholder engagement below the OECD average (Figure 5.3). On the positive side, various interests are represented in consultations in the policy-making process, including through the National Council for Tripartite Cooperation's formal and expanding role and through Bulgaria's 70+ advisory councils, which sometimes include academia and research institutes and cover skills topics. However, there is little systematic practice of publishing minutes of meetings and decisions taken by these various consultative bodies and working groups. This makes it difficult to assess these bodies' effectiveness and to monitor the implementation of adopted decisions. In some cases, public consultations on policy proposals have often been short or altogether skipped. That said, government agencies are becoming more transparent about their deliberations, and in 2021, the government substantially increased the number of consultations (Stanchev, Popova and Brusis, 2022[4]).

Figure 5.3. Bulgaria's performance in stakeholder engagement



Note: 0 is lowest, 10 is highest rating. Public consultation: Does the government consult with economic and social actors in the course of policy preparation? Political knowledge: To what extent are citizens informed of public policies? Open government: Does the government publish data and information in a way that strengthens citizens' capacity to hold the government accountable? Equality of participation: What percentage of the people have voiced their opinion to a public official in the last month? Association competence: To what extent are economic interest associations (e.g. employers, industry, labour) capable of formulating relevant policies?
Source: Bertelsmann Stiftung (2022[6]), *Sustainable Governance Indicators*, https://www.sgi-network.org/2022/Bulgaria.

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Stakeholder engagement remains fragmented despite the growing number of mechanisms in place. Several recent studies suggest that ministries lack the capacity for effective engagement in VET (OECD, 2019[7]; Ganev, Popova and Bonker, 2020[8]) Officials and stakeholders consulted during this Skills Strategy project (hereafter, "project participants") suggest this is a more generalised challenge for Bulgaria's skills system as a whole.

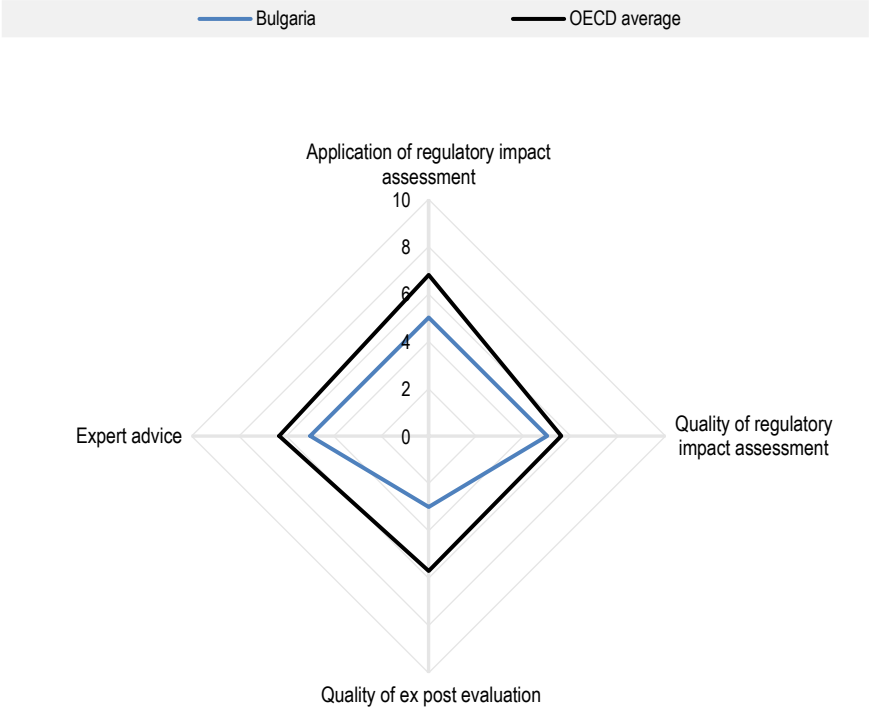
Integrated skills information systems

Insufficient co-ordination between ministries and with stakeholders appears to have contributed to, and been amplified by, fragmented and inconsistent collection and use of skills information and evidence. There are examples of good practices of data collection, evaluation and analysis within different ministries and agencies. For example, Bulgaria's skills assessment and anticipation (SAA) activities include numerous activities, such as quantitative forecasts, assessments of workforce skillsets and needs, and surveys of employers and sectoral studies (Tividosheva, 2020[9]). However, skills data collection, evaluation and analysis are not comprehensive or systematically used in decision making. For example, the information generated by Bulgaria's SAA activities sometimes lacks detail or relevance for end users, such as education and training providers seeking to update their programmes or counsellors seeking to provide advice and guidance to learners and workers. Moreover, unlike many European Union (EU) countries, Bulgaria has only recently made progress on developing a mechanism to track the labour market outcomes

of VET programmes and graduates and lacks the capacity to rigorously and systematically analyse data and conduct research on VET (Bergseng, 2019[10]). While Bulgarian authorities generate a substantial and growing amount of data on skill needs and priorities at the national and local/regional levels, they could better co-ordinate this information and use it more strategically in decision making (European Commission ESIF and World Bank, 2020[5]).

Bulgaria lacks a strong culture and practice of evidence-based skills policy making. Once again, as noted in Chapter 1, the Bertelsmann Foundation's 2022 SGI ranked Bulgaria's performance in key domains of overall evidence-based policy making below the OECD average (Figure 5.4). For example, Bulgaria is ranked 28th of 41 countries for the quality of *ex post* policy evaluations and the utilisation of expert advice (Stanchev, Popova and Brusis, 2022[4]). The rules for impact assessments in Bulgaria, established in 2016, require an *ex post* evaluation of policies and their effects within five years of implementation. However, by the end of 2021, only two such evaluations had been published through the government's public consultation portal. In addition to contracting experts to undertake evaluations, the government can consult experts for advice on policy evaluation via existing councils. However, representatives of academia and research institutes are usually included in policy consultation processes only on an ad hoc basis. It is unclear if or how often experts' inputs in these processes are utilised.

Figure 5.4. Bulgaria's performance in using evidence in policy making



Note: 0 is lowest, 10 is highest rating. Application of regulatory impact assessment: To what extent does the government assess the potential impacts of existing and prepared legal acts (regulatory impact assessments, RIA)? Quality of regulatory impact assessment: Does the RIA process ensure participation, transparency and quality evaluation? Quality of ex post evaluation: To what extent do government ministries regularly evaluate the effectiveness and/or efficiency of public policies and use results of evaluations for the revision of existing policies or development of new policies? Expert advice: Does the government regularly take into account advice from non-governmental experts during decision making?
Source: Bertelsmann Stiftung (2022[6]), *Sustainable Governance Indicators*, https://www.sgi-network.org/2022/Bulgaria.

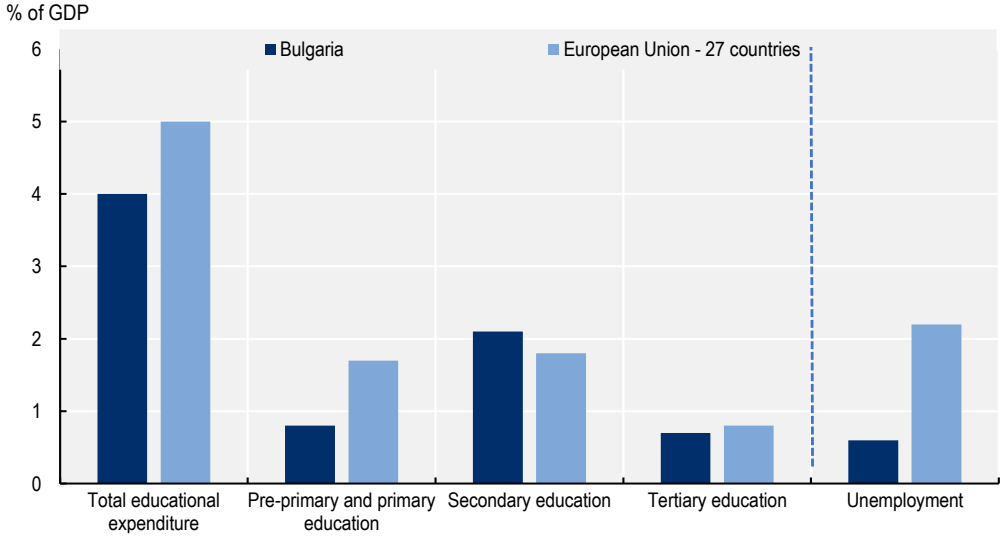
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Financing arrangements

Bulgaria's spending on skills development and use is relatively low (Figure 5.5). Total general government expenditure on education in Bulgaria was 4% of the gross domestic product (GDP) in 2020, below the EU average of 5% (Eurostat, 2022[11]). Bulgaria's expenditure was below the EU average at all levels of education except secondary education. Although data are sparse, public funding appears low in adult education and training, as indicated by low participation and frequent reports of financial barriers to training by individuals and enterprises (see Chapter 3). In terms of skills use, Bulgaria spends far less than the EU average on unemployment support. Spending on ALMPs for unemployed persons, in particular, is low and focused on direct employment creation programmes rather than employment incentives and training measures, which tend to be more effective (OECD, 2022[12]). Funding of skills programmes is often highly reliant on European Social Funds, which can limit the continuity of programmes as funding periods end or priorities change. In addition, there are limited cost-sharing arrangements for skills policies across ministries and with social partners.

Figure 5.5. General government expenditure on education and unemployment in Bulgaria and the European Union, 2020

Percentage of GDP



Note: "Unemployment" includes: the provision of social protection in the form of cash benefits and benefits in kind to persons who are capable of work, available for work but are unable to find suitable employment; the administration, operation or support of such social protection schemes; and allowances to targeted groups for training schemes or vocational training, among other things.
Source: Eurostat, (2023[13]), General government expenditure by function (COFOG), https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp$DV_578/default/table?lang=e).

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Opportunities to improve the governance of the skills system

Bulgaria's performance in governing its skills system reflects a range of institutional and system-level factors. However, three critical opportunities for improving Bulgaria's performance have emerged based on a review of the literature, desktop research and analysis, and input from the project participants over the first half of 2022.

The three main opportunities for improving the governance of the skills systemin Bulgaria are:

1. developing a whole-of-government and stakeholder-inclusive approach to skills policies
2. building and better utilising evidence in skills development and use
3. ensuring well-targeted and sustainable financing of skills policies.

These opportunities for improvement are now considered in turn.

Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies

Developing a whole-of-government and whole-of-society approach to skills policies can help Bulgaria improve its performance in developing the skills of young people (Chapter 2) and adults (Chapter 3) and in using these skills effectively (Chapter 4).

Project participants confirmed that promoting co-ordination and co-operation across the whole of government and with stakeholders will be critical for more effective and efficient skills policies in Bulgaria. Government engagement with stakeholders can help policy makers tap into "on-the-ground" expertise and foster support for skills policy objectives and reforms. This can also help increase collective capacity and expertise throughout the system. In addition, a whole-of-government approach to skills can create the conditions for improving and integrating skills information (see Opportunity 2) and better co-ordinated financing (see Opportunity 3).

Strengthening inter-ministerial oversight bodies and bilateral relationships between ministries can be effective ways to strengthen whole-of-government co-ordination on skills. Inter-ministerial bodies can be given a formal remit to supervise and guide the skills policies of different ministries to ensure overlaps and gaps are minimised and that policies complement each other. Identifying and prioritising key bilateral relationships between ministers, officials and agencies working on skills policies can facilitate formal and consistent collaboration across the policy cycle. It involves establishing clear protocols and processes for co-operation, including in the form of partnerships, co-funding and other mechanisms. Without effective inter-ministerial oversight and relationships, skills policies risk being fragmented and ineffective.

Effectively engaging stakeholders in the skills policy-making process is critical because such a broad spectrum of stakeholders influences the outcomes of skills systems. Stakeholder engagement can occur during policy design, implementation and evaluation and ranges from stakeholders voicing their interests or concerns to taking responsibility for implementing skills policies. Effective engagement can provide important intelligence for policy makers and build stakeholders' buy-in, all of which help to ensure the success of skills policies. For example, engaging employer representatives and trade unions during policy design and implementation, including the piloting of new initiatives, can help ensure programmes are fit for purpose for end users. Successful implementation of skills policies cannot be restricted to the government but requires co-operation from stakeholders.

Developing a whole-of-government approach to skills policies

As noted earlier, there is evidence of fragmentation and weak co-ordination between ministries and national agencies on skills policy development and implementation (OECD, 2019[7]; Tividosheva, 2020[9]; Ministry of Education and Science, 2021[14]; European Commission ESIF and World Bank, 2020[5]).

Establishing a more effective whole-of-government approach to the skills system is therefore critical to improving co-ordination and governance across the whole system (both horizontally and vertically).

Project participants highlighted the need to develop a whole-of-government approach and shared vision for the Bulgarian skills system. At the national level, existing arrangements, such as the Council of Ministers and ad hoc bilateral co-ordination between ministries and agencies, do not ensure that skills policies are coherent and complementary. To overcome these challenges, Bulgaria should consider forming an overarching Skills Policy Council, similar to the council introduced in Norway (Box 5.1). This council could lead and oversee policy design, implementation and evaluation across the entire skills system and help manage and co-ordinate different actors and strategies, including those currently planned at the sector and local levels. The council could be chaired by a minister (as in Norway) or chaired by a senior official from the centre of government (as the OECD proposed for Lithuania; see OECD (2021[15])). Making it a permanent council would help to ensure continuing and much needed whole-of-government co-ordination on skills policies beyond the life of individual policies or programmes. A strengthened Consultative Council and experts should also support it (see Opportunity 2 below). Such a deliberate shift in organisational arrangements and oversight would send a clear signal within and beyond government that the effective governance of the skills system is an important priority for Bulgaria and help to increase the accountability of skills policy makers to each other and stakeholders.

Box 5.1. Relevant international examples: Developing a whole-of-government approach to skills policies

Norway: Skills Policy Council and Future Skills Needs Committee

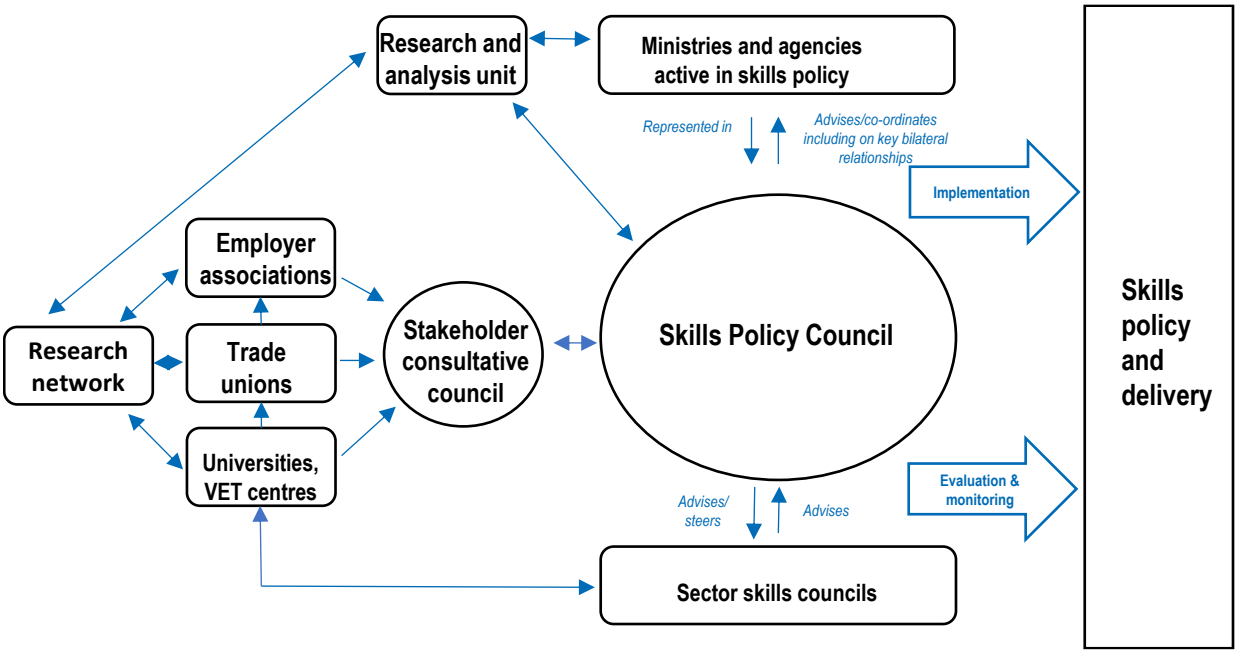
As part of the Norwegian Strategy for Skills Policy 2017-2021, a new governance structure was introduced in the country, at the centre of which sits the newly formed Skills Policy Council. The role of the council, established only for the duration of Norway's current Skills Strategy, is twofold: to follow up on the strategy and to facilitate greater horizontal and vertical co-ordination between stakeholders in Norway's skills ecosystem. In practice, the council acts as a purely advisory body to the officials and stakeholders with responsibilities for skills, with the goal of co-ordinating and improving existing and new skills policy measures, whether provided by government or non-government actors. The Minister of Education chairs the council, allowing council members to influence senior policy decisions.

To facilitate greater bilateral co-ordination across ministries, the high-level discussions that take place through the Skills Policy Council (at the ministerial level or similar) are supplemented by working-level discussions at the technical level to discuss the details of concrete outputs. In particular, the Future Skills Needs Committee aims to "provide the best possible evidence-based assessment of Norway's future skills needs, as a basis for national and regional planning, and for strategic decision making of both employers and individuals." It undertakes short, medium and long-term skills needs assessments. In addition, the committee is expected to co-ordinate and improve existing data creation and utilisation among all involved stakeholders and use a variety of qualitative and quantitative data sources. Future Skills Needs Committee members are representatives from social partners, the involved ministries and experts from universities.

Source: OECD (2020[16]), "Case study: Norway's Skills Policy Council and Future Skills Needs Committee", in *Strengthening the Governance of Skills Systems: Lessons from Six OECD Countries*, https://doi.org/10.1787/d416bb6f-en.

Figure 5.6 sets out a potential model for configuring a Skills Policy Council in Bulgaria, including additional bodies recommended later in this chapter.

Figure 5.6. A potential model for a Bulgarian Skills Policy Council



Bulgaria should also seek to strengthen critical bilateral and/or multilateral relationships between ministries and agencies, where skills policies need to integrate with each other and related government priorities. One example of this would be the relationship between MES and the Ministry for Innovation and Growth (MIG), which could be improved to better foster the co-ordination of strategies for skills with strategies for economic growth, innovation and research and development (R&D). Another example would be the relationship between MES and the MLSP, which could be improved to better foster the co-ordination of policies for employment and activation (especially those aimed at minority groups and the un/under-qualified), as well as skills needs forecasting. While these examples are illustrative rather than exhaustive, the overall objective should be to increase formal co-operation processes to facilitate a shared understanding of policy agendas and responsibilities between ministries.

Key bilateral relationships between ministries in the area of skills policy can be improved and formalised through various mechanisms. These include the creation of memoranda of understanding, jointly established and managed policy projects and delivery teams, partnership agreements between relevant delivery agencies and standing, bilateral meetings of ministers and officials, among others (OECD, 2018[17]). For example, MES and MIG could form joint project teams to design and implement skills policies supporting growth sectors and clusters. Strong bilateral relationships between ministries are likely to be (Stanchev, Popova and Brusis, 2022[4]) more difficult and important when multi-party coalition governments appoint ministers from different political parties.

Recommendations

4.1 **Improve whole-of-government leadership, oversight and co-ordination of the skills system by creating a permanent Skills Policy Council for Bulgaria**. The Skills Policy Council should bring together ministries, agencies, regional and municipal representatives and key non-government actors with a stake in skills policies. The council should oversee the skills system and ensure the achievement of Bulgaria's skills policy objectives, for example, by monitoring and reporting on skills policy implementation and outcomes. This should include oversight of existing skills bodies (e.g. the National Agency for Vocational Education and Training, NAVET) and those that are planned (e.g. sectoral skills councils). Finally, the Skills Policy Council should also oversee and publicly report on initiatives to improve stakeholder engagement (see Recommendations 4.3 and 4.4), skills needs information (see Recommendations 4.5 and 4.6), policy evidence (see Recommendation 4.7), resource allocation (see Recommendations 4.8 and 4.9) and cost sharing (see Recommendation 4.10), and any others that are defined in Bulgaria's proposed Action Plan for Skills.

4.2 **Identify and strengthen the most important bilateral inter-ministerial relationships for skills policies, including through joint projects and other formalised co-ordination actions**. The Bulgarian government should identify bilateral inter-ministerial relationships critical for effective skills and related policies and seek to strengthen these relationships. This would include relationships between ministries, departments and agencies responsible for delivering whole-of-government priorities, such as boosting economic growth and productivity, managing the digital and green transitions and improving equity. These key bilateral relationships are likely to include, for example, the relationship between MES and MIG on innovation policies, and between MES and the MLSP on employment and skills forecasting. These ministries should engage in active co-ordination measures, beginning with regular bilateral meetings at the minister and technical level, joint working groups and developing into joint projects and funding. The proposed Skills Policy Council should oversee, monitor and encourage stronger bilateral relationships between the ministries, departments and agencies involved in skills policy (see Recommendation 4.1 above).

Engaging stakeholders effectively for skills policy making

As noted earlier, Bulgaria has a growing number of consultative processes and advisory bodies for policy making that involve stakeholders and experts. These include, for example, the Council of Ministers' portal for public consultations, as well as 70+ advisory councils (Stanchev, Popova and Brusis, 2022[4]), such as the National Council for Tripartite Cooperation, the National Employment Promotion Council and the National Council for Labour Migration and Labour Mobility (Council of Ministers, 2022[18]). Examples of stakeholders engaged through these processes include the Confederation of Trade Unions KNSB, the Confederation of Labour Podkrepa, DBBZ State Enterprise, Znánie Associations, the Association of Industrial Capital in Bulgaria, the Bulgarian Industrial Association, the Bulgarian Chamber of Commerce and the Chamber of Craft Trades, among others. Capacity and co-operation with stakeholders has improved in some parts of the skills system in recent years, for example, in the area of SAA (CEDEFOP, 2020[19]).

However, project participants raised concerns that stakeholders are still not being fully engaged in the skills policy-making process, a challenge identified in other recent policy studies (OECD, 2019[7]). Effective co-ordination mechanisms for involving stakeholders at all levels are still missing and/or slow to develop. In addition, research institutions and scientific/academic organisations should contribute more to SAA

(CEDEFOP, 2020[19]). The government could thus better harness the insights and expertise of key stakeholders in governing the skills system.

Existing and planned advisory bodies and processes could be enhanced and/or broadened to strengthen stakeholder engagement. For example, the Consultative Council for Vocational Education and Training (CCVET) could be expanded to also cover skills development beyond school. The CCVET was established in 2018 by the Minister of Education and Science. It works on reforming and modernising VET curricula and attracting more students with high levels of skills and competencies to the VET system. The secretariat for the CCVET is the VET Directorate of MES. There is also an expert group, co-ordinated by MES, that supports the CCVET (Box 5.2). The CCVET's function and role could be extended to cover skills development more broadly (beyond secondary VET), for example, to include tertiary education and adult learning, including training for out-of-work adults. It could help increase capacity, evaluation and analysis across these parts of the skills system. An expanded Consultative Council could also support and advise the proposed Skills Policy Council (see Recommendation 4.1), for example, by providing research and analysis of skills issues, consolidating knowledge and data from social partners, and assisting with campaigns and communications on skills topics.

Planned sectoral skills councils could provide detailed sectoral skills insights from industry to government, including via the recommended Skills Policy Council. Bulgaria has started introducing sectoral skills councils, with a pilot in operation for manufacturing electric vehicles. Other sectors have been selected, and their key responsibilities established. Sectoral skills councils offer the opportunity to build the influence of sector-based voices in the skills policy-making and delivery process. Sectoral skills councils in Bulgaria also offer an important opportunity to better engage stakeholders at national and local levels in the design and delivery of skills policies and programmes (Box 5.2). However, ministry membership of sectoral skills councils is limited to MES, and their focus is on issues of formal VET, such as curriculum and qualifications. As with the CCVET, their remit and coverage could potentially be broadened. Poland has successfully utilised sectoral skills councils to this end, particularly in the finance sector (Box 5.3). Sectoral skills councils could report to the proposed Skills Policy Council on detailed sectoral issues, whereas an expanded Consultative Council could provide a horizontal "skills system" perspective Figure 5.6).

Box 5.2. Relevant national examples: Engaging stakeholders effectively for skills policy making

Bulgaria: Consultative Council for Vocational Education and Training

The Minister for Education and Science established a formal Consultative Council for Vocational Education and Training in September 2018. It advises on VET policy design and implementation. It also focuses on increasing demand for VET and dual training programmes in particular.

Key stakeholders at national and regional levels are represented, including other ministries, agencies, institutes and universities, non-governmental organisations, employer associations and trade unions, individual employers, local government and VET schools. A resource working group has also been established within the CCVET to carry out research and provide policy proposals. Overall, the focus is on: 1) developing a plan for VET at the secondary level; 2) developing an information and guidance model(s); 3) encouraging partnerships and developing demand for VET; 4) modernisation of VET systems, including standards; and 5) updating VET legislation.

Bulgaria: Plans for sectoral skills councils

The establishment of sectoral skills councils (SSCs) is planned in 2023 under the new Programme "Education" (2021-2027) to be approved by the European Commission. Their key functions will include:

- analysis and forecasts of labour market needs at sectoral and regional levels
- updating the list of professions in VET (LPVET) and state educational standards (SES)
- career guidance/consultation activities at sectoral and regional levels
- supporting partnerships between vocational schools and employers
- setting up training programmes and training delivery for teachers and/or mentors
- monitoring the effectiveness of the VET system in meeting labour market needs.

The proposed pilot sectors for the establishment of the SSCs include: agriculture and food and drinks; textiles; wood, paper, rubber, plastics; metals and mining; mechanical engineering, electrical equipment and electric power; construction, waste management and water supply; trade; transport and storage; information and communications technology (ICT), telecommunications and creative activities; tourism; chemicals and pharmaceutical; business administration and professional services; and health and social care.

Source: CEDEFOP (2019[20]), *Bulgaria: Consultative Council to lead VET reforms*, www.cedefop.europa.eu/en/news/bulgaria-consultative-council-lead-vet-reforms; Tividosheva, V. (2020), *Vocational education and training for the future of work*, Cedefop ReferNet thematic perspectives series, https://doi.org/10.2801/24697

Box 5.3. Relevant international examples: Engaging stakeholders effectively for skills policy making

Poland: Sectoral skills councils

Sectoral skills councils (SSCs) in Poland were created in collaboration between the Polish Agency for Enterprise Development (PARP) and business representatives in various sectors in 2016 in a variety of sectors, including health, construction, finance, tourism, fashion, ICT and automotive. The roles of SSCs include: identifying skills needs within the sector; facilitating dialogue between sectoral entities, such as employers' organisations, trade unions, and training providers; developing strategies and plans to upskill workers and improve relevant adult education and training; determining funding priorities for sectoral training; and informing employers and employees on sector-level changes. While SSCs are responsible for co-ordination within their respective sectors, the national Programme Council on Competences helps to co-ordinate work across the SSCs in Poland. The Council on Competences comprises 19 members, incorporating representatives from key ministries involved in Poland's skills ecosystem.

SSCs in Poland also serve a role in implementing Poland's national skills policy. For example, the Sectoral Human Capital Survey (an SAA survey administered to both employers and employees), which PARP, in collaboration with Jagiellonian University issues, is carried out in all sectors with the help of the sectoral skills councils. The 2016-23 study of the survey findings includes a new sectoral perspective to understand skills needs at the sectoral level.

A particularly successful SSC in Poland is the Sectoral Council for Competencies in the Financial Sector (SSC for Finance). This SSC was initiated through a partnership between the Warsaw Banking Institute, the Polish Bank Association and the Polish Chamber of Insurance. In total, 35 entities are represented in the council, including commercial and co-operative banks, industry organisations, higher education institutions and training companies. A representative of the Ministry of Finance participates as an observer.

The SSC for Finance is very active (and one of the most advanced among all Polish SSCs) in the implementation of the Sectoral Qualifications Framework and its inclusion in the Integrated Qualifications System, which will ensure that Polish sectoral qualifications are linked with the European market. The SSC for Finance also took an active part in the process of developing the Sectoral Human Capital Survey Report, which contains an analysis and forecast of the development trends and needs of the financial sector and a set of strategic recommendations.

Source: PARP (2018[21]), *Evaluation of Sectoral Skills Councils*, https://poir.parp.gov.pl/storage/publications/pdf/2018_POWER_ocena_sektorowych_rad.pdf; Fundacja Warszawski Instytut Bankowości (2018[22]), *Sectoral Council for Competencies in the Financial Sector*, http://rada.wib.org.pl/.

Recommendations for engaging stakeholders effectively for skills policy making

Recommendations

4.3 **Strengthen and extend the Consultative Council for Vocational Education and Training to become a formal committee that works across and supports the whole skills system, reporting to and advising the Skills Policy Council**. The broadened Consultative Council should include key social partners, academic experts and delivery institutions, and agencies from across the whole skills system. It should cover not only initial VET but also tertiary education and adult learning, including for out-of-work adults. The broadened Consultative Council should be responsible for supporting and advising the Skills Policy Council on policy development and implementation through information and evidence gathered from its members.

4.4 **Ensure the planned sectoral skills councils include all relevant stakeholders and that they support the skills system as a whole**. Bulgaria should expand the membership of SSCs to include not only MES but several ministries with responsibilities for skills. It should also consider expanding the remit of SSCs to cover issues other than VET, for example, tertiary education and adult learning, including for out-of-work adults. SSCs should be encouraged to articulate broader sectoral skills needs rather than focusing on narrower issues of curriculum, qualifications, etc. The proposed Skills Policy Council at the national level (see Recommendation 4.1) should oversee SSCs and involve them in Skills Policy Council meetings, to ensure their effective performance.

Opportunity 2: Building and better utilising evidence in skills development and use

Building and better utilising evidence in skills development and use will be integral to Bulgaria's efforts to improve the governance and performance of its skills system. It is essential that skills policy makers, learning providers, learners and other stakeholders can make informed choices. For this, they require relevant, reliable and accessible data and information on current and future skills needs, as well as evidence on the performance of skills policies and programmes.

Comprehensive information on current and future skills needs is an essential building block of well-governed skills systems (OECD, 2019[1]). Effective skills assessment and anticipation (SAA) tools and arrangements are integral for producing skills needs data and information to guide decision making. Effective SAA systems typically draw on a variety of qualitative and quantitative data sources and methodologies (OECD, 2016[23]). For example, forecast-based projections and quantitative models at the national level can cover all economic sectors, ensure analytical consistency across time and sector, and are relatively transparent and objective. In addition, qualitative exercises, surveys and interviews can help policy makers collect information that is not available in datasets, while foresight exercises provide a

framework for stakeholders to jointly think about future scenarios and actively shape policies to reach these scenarios.

High-quality evidence on the performance of skills policies and programmes is critical for enabling policy makers and service providers to allocate their limited resources where they will have the greatest impact. Generating evidence about what works in the skills system requires processes and capacity for evaluation and, ultimately, a culture of evaluation among policy makers (OECD, 2019[1]). Relevant, reliable and accessible skills data, information and evidence support a whole-of-government and stakeholder-inclusive approach to skills policies (see Opportunity 1), as well as targeted and sustainable skills financing (Opportunity 3). For example, a common data and evidence base can help different actors reach a shared understanding of skills challenges and opportunities. On the other hand, whole-of-government co-ordination on skills can facilitate ministries' identification and communication of their data needs and gaps.

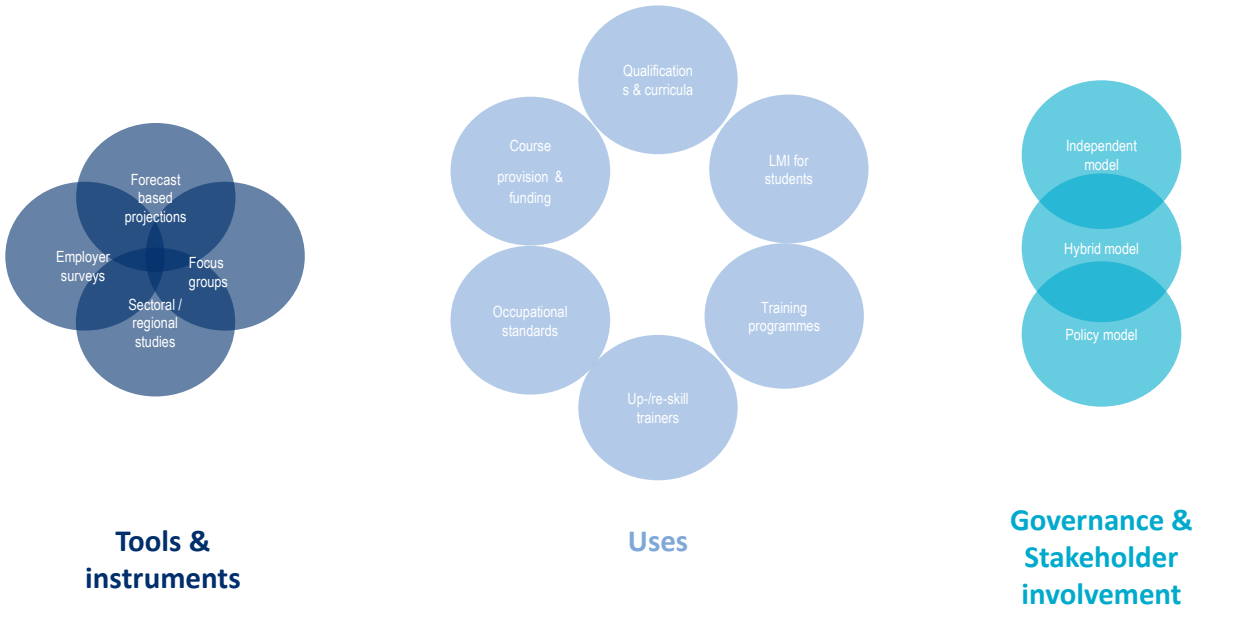
Project participants expressed concerns that existing approaches for generating and utilising skills information and evidence are not performing well enough. While Bulgarian authorities generate substantial amounts of data and statistics, they could be better used to inform skill needs and priorities at both the national and local/regional levels (European Commission ESIF and World Bank, 2020[5]). More specifically, project participants and recent reports suggest that Bulgaria faces the challenges of a lack of co-ordination of qualitative and quantitative information; limited subnational capacity to generate and utilise skills data; as well as partially outdated classifications of economic activities, professions, training courses and qualifications.

Improving the quality and use of skills needs information

Ensuring the quality and effective use of skills needs information requires effective SAA tools, instruments and governance that involve and meet the needs of diverse stakeholders (Figure 5.6). The tools and instruments used for skills anticipation in different countries vary in terms of the time span they consider, the frequency with which they are employed, the methods used to identify skill needs (i.e. quantitative or qualitative), and their national/regional/sectoral scope. The results of skills anticipation exercises can be used for a variety of purposes, including to improve labour market information for students, and inform the design and/or funding of qualifications and courses. Models for governing and involving stakeholders in skills assessment and anticipation exercises can include independent agencies such as statistical offices, universities or research institutes implementing skills assessment and anticipation exercises, public institutions doing this, or a hybrid combination of the two (OECD, 2016[23]).

SAA in Bulgaria is conducted through numerous activities, including regular the MLSP forecasts, skill assessment initiatives, employer surveys and privately funded sectoral studies (Tividosheva, 2020[9]). Central to this is the MLSP's system for short- and long-term forecasting of employers' demand for specific qualifications and skills based on a quantitative forecasting model and employer surveys (Box 5.4). This represents good practice in both the design of the SAA process and the analysis of SAA information.

Figure 5.7. Key components of skills anticipation systems



Source: Authors elaboration based on OECD (2016[23]), *Getting Skills Right: Assessing and Anticipating Changing Skill Needs*, https://doi.org/10.1787/9789264252073-en.

Box 5.4. Relevant national examples: Improving the quality and use of skills needs information

Bulgaria: Ministry for Labour and Social Policy employment forecasting

This exercise offers a combination of short-term and long-term forecasting of future employment levels by sector, region and occupation, based on a quantitative forecasting model and employer surveys. This forecasting practice began in 2013-14 when the Labour Market Forecasting Model for Bulgaria was first created. The long-term model operates on an approximately 20-year period, and the shorter-term version for 2-year periods, covering 120 occupations, 35 economic activities, 28 provinces, 3 educational attainment levels, gender and 6 age groups. The current long-term forecasts apply to the 2008-32 period and were prepared and published in 2019 by the Human Capital Partnership – consisting of Sigma Hat OOD, Global Metrics OOD and the Business Foundation for Education – on behalf of the MLSP. The forecasts are funded through the European Social Fund (ESF) and are planned to be updated annually.

This forecasting exercise has been established and offers important data and insight into future changes in the labour market. However, more should be done in future surveys and activities of this kind to support the skills system as a whole, e.g. more consideration for issues related to training, qualifications and competencies.

Source: Ministry of Labour and Social Policy, (2019[24]), *Medium-Term and Long-Term Forecasts for the Development of the Labour Market in Bulgaria*, www.mlsp.government.bg/uploads/24/politiki/zaetost/lmforecasts-report-en.pdf; CEDEFOP (2020[19]), *Strengthening skills anticipation and matching in Bulgaria: Bridging education and the world of work through better co-ordination and skills intelligence*, www.cedefop.europa.eu/en/publications/4188.

However, as noted earlier, skills data collection, evaluation and analysis are not comprehensive or systematically used in decision making. Bulgaria's current forecasts are mainly designed for planning labour market policies. The information generated by existing SAA activities sometimes lacks detail or relevance for end users, such as education and training providers seeking to update their programmes or counsellors seeking to provide advice and guidance to learners and workers. For example, in VET, Bulgaria has only recently made progress on developing a mechanism to track the labour market outcomes of programmes and graduates and lacks the capacity to rigorously and systematically analyse data and conduct research on VET (Bergseng, 2019[10]). Overall, while Bulgarian authorities generate a substantial and growing amount of data on skill needs and priorities at the national and local/regional levels, they could better co-ordinate this information and use it more strategically in decision making. Project participants largely confirmed this assessment of Bulgaria's SAA activities.

A particular challenge for policy makers is how data on SAA is translated into the design and operation of career guidance and advisory services. Services that offer career advice to individuals – including both young people and adults (whether in work or unemployed) – and support services and advice to employers should be based on reliable, timely and relevant information on skills needs. All actors need such information to help ensure that people are able to develop skills that are in high demand.

Bulgaria could develop a more comprehensive and consolidated SAA system to serve the needs of all key stakeholders in the skills system. This would require different ministries and stakeholders to discuss and define the SAA data and information they need. The proposed Skills Policy Council, broadened CCVET and sectoral skills councils (see Recommendations 4.1, 4.3 and 4.4) could support this process. Based on this assessment, Bulgaria could improve its SAA methods and information, for example, by generating more sectoral, occupational, educational, demographic, regional and temporal insights on skills supply and demand, and utilising qualitative analysis and foresight techniques to garner insights from employers and other stakeholders. Such improved SAA information could feed into career guidance for youth (see Chapter 2) and adults (see Chapter 3). It could also be offered to employers to inform their decisions about training, hiring and other matters.

Ireland and Estonia have relatively well-developed SAA systems, which rely on a range of methodologies and sources, and produce SAA information for various users (Box 5.5). Ireland has a history of utilising qualitative and foresight techniques to test and deepen quantitative estimates of labour market needs. Estonia also has a mixed methodology approach and identifies policy implications from its SAA information as part of this approach.

Box 5.5. Relevant international examples: Improving the quality and use of skills needs information

Ireland: Skills Foresight

Ireland's Expert Group on Future Skills Needs, established in 1997, provides strategic advice to the Irish Government on the economy's current and future skills needs. It comprises business representatives, experts, trade unions and policy makers. In co-operation with the SOLAS Skills and Labour Market Research Unit, it conducts its own research using a wide variety of quantitative and qualitative methods for skills anticipation. In addition, it carries out sector-specific foresight exercises using an approach that draws on interviews and focus groups with sectoral experts and actors involved in developing and using skills, including sectors such as green and digital economies.

For example, the Future Skills Needs for Enterprise within the Green Economy project explored sub-sectors of the "green economy" identified as having substantial export growth and employment potential. It aimed to provide information on the current size and skills profile of companies in the green economy; the economic, social and environmental drivers of change towards the green economy; future

skills demands for occupational groups in these sectors; the adequacy of currently supplied skills; and the anticipation of future skills shortages and proactive actions required to ensure a sufficient future supply of skills. The project was based on a structured telephone survey, several workshop discussions with companies and a wider group of stakeholders, and in-depth case studies on specific companies (including company visits and structured face-to-face interviews on skill gaps and needs).

Estonia: Labour market and skills forecasting – the OSKA project

In 2014, the Estonian Qualification Authority launched the System of Labour Market Monitoring and Future Skills Forecasting (OSKA) project to map out skills provision based on labour market needs. OSKA uses both quantitative and qualitative methods to determine the skills that will be most relevant to Estonia's future labour market. In addition to using available administrative data and quantitative forecasts to determine these skills, OSKA collects qualitative insights through sector-level surveys and expert panels to understand skills needs across five sectors. OSKA publishes annual reports on labour market trends and skills needs based on its quantitative and qualitative analyses. Beyond identifying future in-demand skills, OSKA is also involved in developing policy recommendations about how to meet the demand for these skills. OSKA is co-funded by the Estonian Qualification Authority and ESF. Non-governmental stakeholders, including education providers and business associations, are involved in the OSKA project through involvement on sectoral expert panels and/or on the OSKA Panel of Advisors, which is active in determining the methodological approach of OSKA to SAA.

Source: Ministry of Labour and Social Policy, (2019[24]), *Medium-Term and Long-Term Forecasts for the Development of the Labour Market in Bulgaria*, www.mlsp.government.bg/uploads/24/politiki/zaetost/lmforecasts-report-en.pdf; OECD and ILO (2018[25]), *Approaches to anticipating skills for the future of work*, www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_646143.pdf; EGFSN (2010[26]), *Future Skill Needs for Enterprise within the Green Economy*, www.skillsireland.ie/media/egfsn101129-green_skills_report.pdf; EGFSN (2022[27]), *About us*, www.skillsireland.ie/about-us/; OECD (2020[28]), *Strengthening the Governance of Skills Systems: Lessons from Six OECD countries*, https://doi.org/10.1787/3a4bb6ea-en; OECD (2020[29]), *OECD Skills Strategy Northern Ireland (United Kingdom): Assessment and Recommendations*, https://doi.org/10.1787/1857c8af-en.

Recommendations for improving the quality and use of skills needs information

Recommendations

4.5 **Develop a more comprehensive and consolidated skills assessment and anticipation approach for use by all key actors in the skills system**. MES, the MLSP, the NEA, other relevant ministries and agencies, subnational authorities and social partners should collaborate to define which data and information they need from SAA initiatives. The proposed Skills Policy Council, strengthened and more broadly focused CCVET and sectoral skills councils (see Recommendations 4.1, 4.3 and 4.4) should support this process. Based on this assessment, these actors should commission experts to improve and consolidate Bulgaria's SAA methods. For example, this should include expanding existing quantitative tools to provide more sectoral, occupational, educational, demographic, regional and temporal insights on skills supply and demand, as required by end users. It should also involve drawing on qualitative insights from consultation with employers and potentially from foresight techniques. Finally, Bulgaria should promote and monitor the use of improved SAA information by career guides/counsellors for youth in formal education (Chapter 2), adults in education and training (Chapter 3) and NEA caseworkers and unemployed adults (Chapter 4), as well as by advisors assessing enterprises' skills and training needs (Chapter 3) and providing other business support services.

Improving the quality and use of performance data and evaluation evidence in skills policy

Related to improving SAA information, Bulgaria could also improve the quality and use of evidence on the performance of skills policies and programmes. As noted earlier, Bulgaria lacks a strong culture and practice of evidence-based skills policy making (Figure 5.4). Currently, Bulgaria has limited evidence on the outcomes achieved by its skills policies, programmes, institutions and agencies. It likely lacks the capacity and resources – human, organisational and financial – with which to collect, analyse and share such evidence (European Commission ESIF and World Bank, 2020[5]). This undermines efforts to build a shared understanding among different actors about challenges and priorities in the skills system.

Strengthening co-ordination and leveraging analytical capacity could help Bulgaria to improve evidence on the performance of skills policies. For example, employers and trade unions currently engage in research and data collection among their members at national and regional levels. Sectoral skills councils will help increase capacity and evidence at the sector level. Furthermore, Bulgaria's universities and various non-governmental organisations and consultancies have analytical and research capacity that could be better leveraged for skills policies. Bringing these actors and evidence together in a systematic way could enrich the skills policy-making process. Current examples of bringing skills data and capacity together are evident in the Bulgarian University Ranking System (BURS) and the Pilot Model for Tracking VET Graduates (Box 5.6). There are also examples of consortia and partnerships building evidence in the skills system, such as the Human Capital Partnership, which carried out labour market forecasts for the MLSP (Ministry of Labour and Social Policy, 2019[24]). Experts and partnerships could be leveraged in a more systematic way to build evidence and provide additional capacity for skills policy makers.

Box 5.6. Relevant national examples: Improving the quality and use of performance data and evaluation evidence in skills policy

Bulgaria: Tracking the outcomes of higher education and VET graduates

As noted in Chapter 2, the Bulgarian University Ranking System (BURS) and web portal allow users to compare and rank universities based on a range of indicators. These indicators are divided into six different categories that measure the quality of: the teaching and learning process; science and research; the teaching and learning environment; welfare and administrative services; prestige and regional importance of the universities; and graduates' career realisation in the labour market. The Ministry of Education and the National Social Security Institute have an agreement for sharing information and regularly exchanging data to support analysis within the BURS (for labour market pathways of higher education graduates).

The same co-operation has also helped develop a Pilot Model for Tracking VET Graduates, including the speed of labour market entry, their employment/unemployment status, their professional career, earnings (in terms of social security and tax income) and labour mobility. Administrative data and surveys are carried out in three pilot areas – Vratsa, Stara Zagora and Burgas – and cover all VET graduates in 2018. Though the VET graduate tracking survey remains a prototype, it is a promising step towards a more integrated skills information system.

Source: Bulgarian University Ranking System (2019[30]), *Methodology*, https://rsvu.mon.bg/rsvu4/#/methodology; Ministry of Education and Science, (2019[31]), Pilot Model for tracked VET graduates, https://mon.bg/upload/25859/model_VIREO_050421.pdf.

A potentially straightforward way for Bulgaria to improve the quality and use of evidence on the performance of skills policies and programmes would be to create a cross-government data and evidence centre. In this centre, all national and regional data, comparative country information and indicators (e.g. from international bodies such as the World Bank, the European Union, the OECD, the International Monetary Fund, the International Labour Organization and the European Centre for the Development of Vocational Training [CEDEFOP]) and evaluation evidence could be collated and managed. Such a centre could be staffed with a small team that is supported with the secondments of officials and experts from across the skills system. The centre could support individual ministries and agencies, as well as the proposed Skills Policy Council (see Recommendation 4.1). The government could similarly formalise a network of experts to provide additional capacity in the skills system, building on the model of the CCVET and its resource working group (Box 5.2). The academics, consultants and stakeholders that currently collect and generate information and data on skills could be involved in such a formal network of experts and utilised to supplement the capacity of experts within the government. Denmark and Lithuania have created centres/agencies focused on improving data and evidence in the skills system, including by integrating and analysing skills data from diverse sources (Box 5.7).

Box 5.7. Relevant international examples: Improving the quality and use of performance data and evaluation evidence in skills policy

Denmark: The DREAM system

In Denmark, the DREAM project group acts as an "independent semi-governmental institution" to produce a set of simulation and projection models for the economy, from population demographics via education to the labour market. Making use of data sources available in Denmark, e.g. Danish population data, these models provide robust estimations of important development trends in the Danish economy. The microsimulation model SMILE (simulation model for individual lifecycle evaluation) is part of a set of models in the DREAM system. It draws on data from seven different data sources made available through Statistics Denmark, which allows for robust estimates on the trajectories of individual life courses, in particular, educational and employment decisions.

Being able to model these kinds of decisions enables policy makers to identify emerging skills shortages, e.g. in sectors or regions. It also helps policy makers design governance and financing frameworks in ways that ensure education institutions provide skills needed in the labour market. Finally, DREAM models also alert emerging inequalities that can inform policy responses.

Lithuania: The National Monitoring of Human Resources system and STRATA

In 2016, Lithuania launched the National Monitoring of Human Resources system, integrating existing administrative data from a variety of sources onto a singular platform, to be used for SAA. The data came from a variety of sources, including the State Social Insurance Fund, State Tax Inspectorate, Public Employment Service and Education Management Information System. In addition, the platform integrates two systems already in use in skills policy: the "qualification map", which tracks VET and tertiary education graduate outcomes, and the "human resource monitoring and forecasting system", which forecasts medium-term demand using Labour Force Survey data.

State authorities are obliged to use the system when making policy decisions related to education and the labour market. The platform is intended to be a tool used across ministries and other governmental bodies given that, in Lithuania, the Ministry of Education and Science, the Ministry of Social Security and Labour, the Ministry of Economy, and the Research and Higher Education Monitoring and Analysis Centre (MOSTA) are collectively responsible for SAA.

In 2017, Lithuania also restructured MOSTA into a new Government Strategic Analysis Centre (STRATA), directly reporting to the government. STRATA now fulfils general functions regarding evidence-informed policy making across all policy fields, as well as several tasks exclusive to the field of skills policy. First, its general function is to provide the government and all ministries and municipalities with support regarding evidence-informed policy making, including advice, methodological guidance, analytical support (e.g. to individual ministries as required), and evaluation. It also offers support in the preparation, implementation, monitoring and evaluation of high-level planning documents (e.g. State Progress Strategy, National Progress Plan). Second, for skills policy, it provides all ministries with the information needed for evidence-informed decision making in education, science, innovation and human resource policies.

Source: DREAM (2019[32]), *The Danish Institute for Economic Modelling and Forecasting, DREAM*, www.dreammodel.dk/default_en.html; OECD (2021[15]), *OECD Skills Strategy Lithuania*, www.oecd-ilibrary.org/education/oecd-skills-strategy-lithuania_14deb088-en.

Recommendations for improving the quality and use of performance data and evaluation evidence in skills policy

Recommendations

4.6 **Create a cross-government data and evidence centre responsible for collating and improving skills data and evaluation evidence**. The government should create a centre to integrate, undertake and/or commission primary and secondary data collection, analysis and evaluation for skills policy. It should identify opportunities to improve information and evidence based on the needs defined by the government and non-government actors involved in skills policy (e.g. see Recommendation 4.5). The centre should be staffed with a small team that is supported with secondments from the ministries involved in skills policy. It should also establish formal and informal networks with experts from academia, research institutes, social partners, non-government organisations and the private sector. The centre should be governed by and report to the proposed Skills Policy Council (see Recommendation 4.1), potentially forming part of a secretariat for the council. Information and data collected and maintained by the centre should be relevant and accessible to the diverse actors with a stake in skills policy, including ministries and agencies in government, including the CCVET, the planned sectoral skills councils, municipal authorities and others (see Opportunity 1 above).

Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies

Establishing financing arrangements for skills policy that are adequate, well-targeted and sustainable will be critical for improving Bulgaria's skills performance. Project participants highlighted the importance of getting the distribution of funding right across different levels and sectors of education, ranging from general education schools, VET schools and centres, higher education and training for adults in and out of work. Given that the benefits of skills policies are most likely to be realised over the long term, funding arrangements should be sustainable over the long term.

Securing long-term funding for skills and efficiently and equitably allocating funding requires reliable and relevant evidence on current and future skills needs, the efficacy of different skills policies and programmes, and the needs of different groups of learners and workers in the population (see Recommendations 4.5 and 4.6). Allocating and targeting funding prudently (including from external sources such as EU structural funds) requires policy makers to prioritise projects that have proven particularly successful in evaluations over programmes or activities that have less impact or have become

lower priority (OECD, 2019[7]). Reallocating funds is as important for system sustainability as increasing or seeking new funding.

Governments, employers and individuals play a key role in funding skills development and use. Sufficient funding for skills is essential to make societies resilient to external shocks (such as COVID-19) and to adjust to technological and other structural changes that alter skill requirements. As individuals and employers tend to underinvest in skills for various market and behavioural reasons, governments are in a key position to sustain and steer skills development with financial incentives and long-term system co-ordination (OECD, 2017[33]). Beyond public expenditure, policy literature also highlights many innovative mechanisms for raising the resources necessary for sustainable skills policy from non-government sources (OECD, 2019[1]). For example, cost-sharing mechanisms between the central government, employers and employees can help to meet short and longer-term costs.

Bulgaria will have significant financial capacity to invest in skills over the next decade from EU funds. Bulgaria is also set to receive substantial support from EU funds for investing in skills policies. For example, the current Partnership Agreement between the European Commission and Bulgaria allocates Cohesion Policy funds worth EUR 11 billion to the country in 2021-27. As part of this, Bulgaria will invest EUR 2.6 billion from the ESF+ to improve access to employment, increase skills so that people can successfully navigate the digital and green transitions, and ensure equal access to quality and inclusive education and training (European Commission, 2022[34]). Bulgaria's recovery and resilience plan allocated EUR 6.3 billion in grants under the European Commission's Recovery and Resilience Facility. The education and skills component of this plan totals EUR 733.5 million and seeks to increase the quality and coverage of education and training and improve the skill set of the workforce to adapt to technological transformation in the labour market (European Commission, 2022[35]). Ensuring skills funding is used to its potential will require reliable skills information and evidence, and effective co-ordination across government and with social partners.

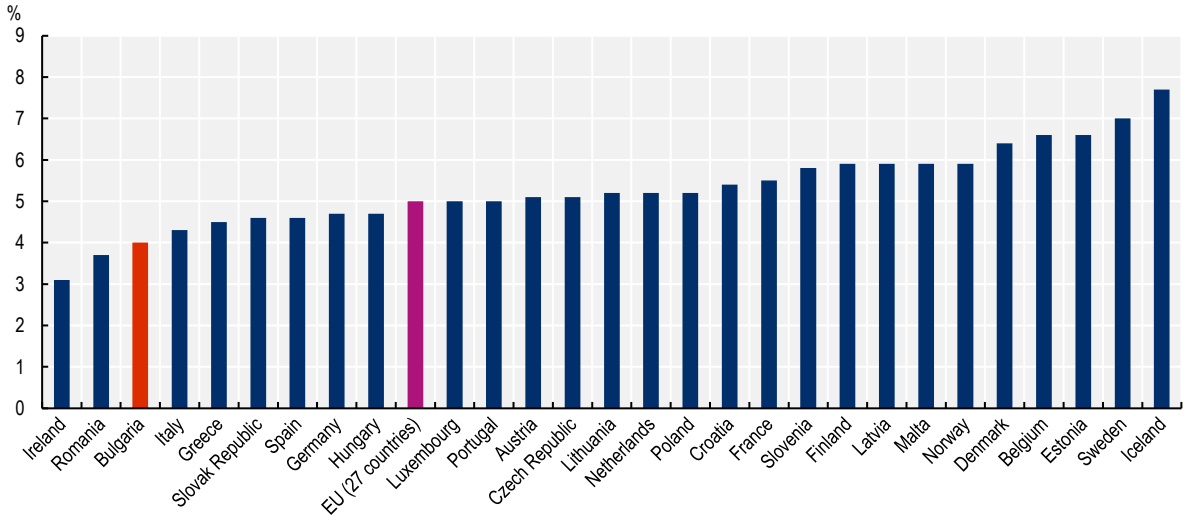
Increasing and reallocating spending on skills development and use

Bulgaria's expenditure on skills development and use is relatively low. As noted earlier (Figure 5.5), Bulgaria's public expenditure on education as a share of GDP was low at all levels of education except secondary education. It was also low for active labour market programmes for unemployed persons. In comparative terms, Bulgaria spends less on education overall as a share of GDP than all other EU member states except Romania and Ireland (Figure 5.8). Nevertheless, compared to 2010, Bulgaria's expenditure on education has increased in real terms by 14%, significantly faster than the EU average (3.7%). The increase has primarily benefited secondary education (+23%) and pre-primary and primary education (+18%), whereas spending in tertiary education decreased by 11% (European Commission; Directorate-General for Education, Youth, Sport and Culture, 2020[36]).

Bulgaria's public spending on secondary VET has increased over time and appears to be increasingly reliant on municipal and EU funding. In 2019, Bulgaria spent about EUR 4 050 (in purchasing power standard [PPS]) per student in upper-secondary VET, up from about EUR 2 650 (PPS) in 2012, and higher than per-student spending in upper-secondary general education (about EUR 3 300 [PPS]) (Eurostat, 2023[37]). However, the share of the school education budget allocated to VET has fallen in recent years, and VET spending relative to general education is also decreasing (European Commission ESIF and World Bank, 2020[5]). Spending by municipalities plays a growing role in overall spending on VET, while a rising (and fluctuating) share of the VET budget also comes from EU funds. From 2011 to 2018, the share of public VET spending from municipalities more than tripled to 37%. The share of EU funding in total VET expenditure rose from 0.8% in 2011 to 12.3% in 2018.[1] Previously, the OECD (2019[10]) highlighted the need to improve municipalities' and schools' financial autonomy and capacity, cost sharing between VET providers and employers, and funding to promote equity in Bulgaria's VET system.

Figure 5.8. General government expenditure on education in Bulgaria and EU27 countries, 2020

As percentage of GDP



Note: Education includes: pre-primary and primary education; secondary education; post-secondary non-tertiary education; tertiary education; education not definable by level; subsidiary services to education; research and development (R&D) education, and education not elsewhere classified.

Source: Eurostat (2023[13]), *General government expenditure by function (COFOG)*, https://ec.europa.eu/eurostat/databrowser/view/GOV_10A_EXP__custom_4869510/default/table.

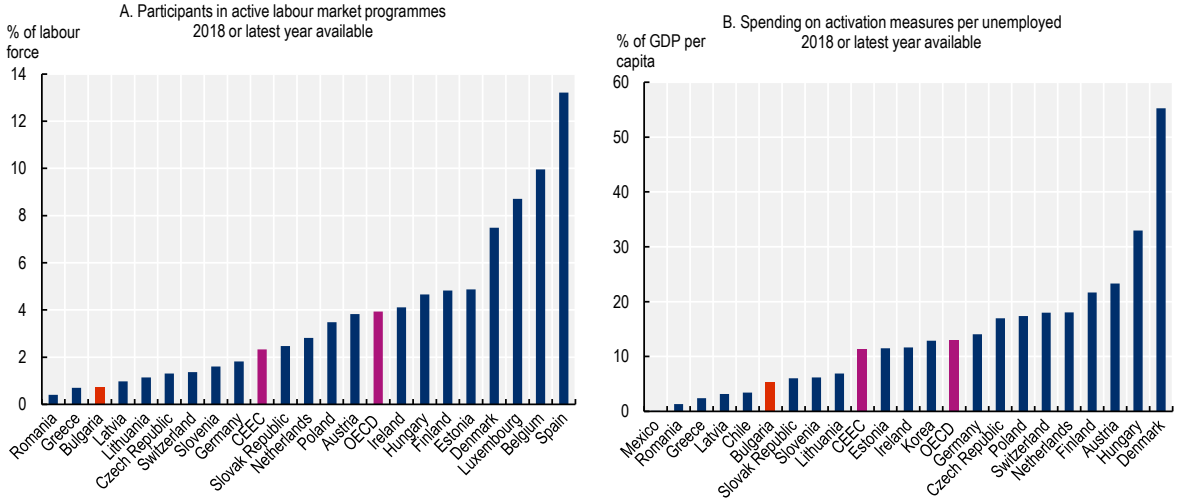
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There is a low level of public investment in continuing VET for adults, especially compared to other EU countries. While continuing VET at secondary and post-secondary levels is mainly funded by the state, VET centres for adults are mostly private, and training is often self-funded by learners, employers, or, in some cases, through EU funding – mainly European Structural and Investment Funds (ESIF).[2] Employers meet most costs. In 2015/16, employers in Bulgaria financed 80% of adult training. This is high by EU standards, and only Romania (86%), Luxembourg (85%) and Malta (82%) have a higher share (European Commission ESIF and World Bank, 2020[5]).

Annual public expenditure overall on tertiary education remains low in Bulgaria and is spread across a number of institutions. As noted in Chapter 1, public expenditure in Bulgaria's higher education sector reflects a diverse and complex range of factors. These include the number of students enrolled (which has been falling), the fields in which students enrol, and the level of tuition fees, which in turn reflect the government's assessments of the costs, benefits, quality and priority of different higher education programmes and providers. The higher education system in Bulgaria is considered to be quite fragmented. Bulgaria has one of the European Union's highest numbers of higher education institutions compared to its population (European Commission, 2018[38]). The European Commission has recommended university mergers and a clearer definition of the mission of different types of universities in terms of research or teaching. In line with the prioritisation of specific subjects, Bulgaria has created and supported specialist institutions and provision, for example, through the creation of new higher education institutions and the designation of new centres of excellence and centres of competence for specialist provision among VET institutions (Box 5.9).

Regarding skills use, as noted earlier, Bulgaria's spending on ALMPs is also low in comparative terms (Figure 5.9). The OECD (2022[12]) has previously recommended a bigger role for ALMPs in supporting out-of-work adults from vulnerable groups. At 0.16% of GDP, spending on these programmes in Bulgaria (excluding employment services and administration) is low compared to other EU countries (0.39%) and OECD countries (0.35%). This is despite spending on employment incentives and training measures increasing since 2015. Furthermore, spending on suitable training programmes within employment programmes should be increased – with just 8% of ALMP expenditure spent on training in Bulgaria in 2019, against an average of 40% in the European Union (see Chapter 4). Funding for learning for employed adults and enterprises will also need to be increased if Bulgaria is to prepare its workforce for the jobs of the future (see Chapter 3).

Figure 5.9. Participants in and expenditure on active labour market programmes in Bulgaria and selected countries, 2018



Note: Covers activation measures in Category 20-70.
Source: OECD (2021[39]), *OECD Economic Surveys: Bulgaria 2021: Economic Assessment*, https://doi.org/10.1787/1fe2940d-en.

StatLink https://stat.link/0msoew

Bulgaria could consider initiatives from Estonia and Poland for increasing and allocating skills expenditure (Box 5.8). In order to ensure sufficient financing for diverse skills policies and programmes, Estonia systematically uses project pilots and evaluation before transferring successful projects to more permanent state funding. In Poland, the government ties a share of higher education funding to graduates' employment outcomes to ensure that providers have incentives to ensure the labour market relevance of their programmes and the success of their students.

Box 5.8. Relevant international examples: Increasing and reallocating spending on skills development and use

Estonia: Strategic use of ESF funding

The ESF is a key source of funding for adult education and training policies in Estonia. While this provides additional funding beyond the state budget for Estonia to invest in the reskilling and upskilling of adults, it also presents a challenge to the long-term sustainability of skills policy investment in Estonia. To improve the sustainability of skills policy financing, Estonia has made strategic use of ESF support to fund pilot programmes related to boosting adult education and training. Once pilot programmes funded by the ESF have proved successful, Estonia transfers these policies to tax or social-security-based funding. For example, this method was used for an Estonian reform to expand education and training measures in ALMPs. This measure aimed to improve the skills of individuals whose skills did not meet those in demand in the labour market. This measure, which has been in place since the early 2000s, used ESF support to pilot measures, and funding was then transferred to the state budget after evaluation evidence showed positive outcomes from the measure.

Poland: Performance-based funding

The massification of higher education in Poland means that graduates' labour market outcomes are an important perspective for future students, higher education institutions and policy makers at the national level.

Poland's algorithm for allocating funding to professional higher education institutions (colleges) is based on four criteria: students, staff, graduates and income. The graduate criteria refers to the number of graduates and the relative graduate unemployment rates based on findings from graduate career tracking. Some 5% of funding is based on the graduate criteria.

The Polish Graduate Tracking System, based on administrative data, allows for the monitoring of graduate outcomes in the labour market by institution, field of study and individual course. A mix of absolute and relative measures allows the government to assess graduate outcomes in the context of local labour market conditions. Results of the first two waves of graduate tracking show that the outcomes vary by study area and over time.

Source: OECD (2020[40]), *Increasing Adult Learning Participation: Learning from Successful Reforms*, https://doi.org/10.1787/cf5d9c21-en; OECD (2019[41]), *OECD Skills Strategy Poland: Assessment and Recommendations*, https://doi.org/10.1787/b377fbcc-en; OECD (2017[33]), *Financial Incentives for Steering Education and Training*, http://dx.doi.org/10.1787/9789264272415-en.

Overall, Bulgaria should look to set broad targets for investment in the skills system (as a proportion of GDP) – broadly broken down into each part of the system. As a target for the medium term, this should at least reflect the levels of comparator countries in south and central Europe. In the longer term, Bulgaria should aim to achieve the average levels of the European Union as a whole.

Furthermore, there should be robust and ongoing evaluation of existing spending in all areas in order to allocate – or reallocate – funding to those activities where there is the most return on investment. This might allow the freeing up of existing resources to spend on new priorities for the system – some of which, e.g. for SAA, career guidance and business support services – are recommended in this report. This would also enable a series of trial interventions that might further stimulate demand for skills and investment from employers and individuals – within a new balance of responsibilities – e.g. trialling and evaluating schemes involving tax incentives, investment allowances, vouchers and learning account schemes.

Recommendations for increasing and reallocating spending on skills development and use

Recommendations

4.7 **Set medium- and longer-term targets for increasing expenditure on skills development in the new Action Plan for Skills**. Targets should be set for different elements of the skills system, e.g. VET, higher education, adult learning, ALMPs and supporting high-performance work practices (HPWPs). These targets should also define the desired spending contributions from different sources, including European funds, state funds, employers and individuals.

4.8 **Evaluate existing spending across the skills system with the aim of reallocating resources to the activities offering the greatest returns**. The proposed cross-government data and evidence centre should systematically evaluate and analyse the return on investment of Bulgaria's expenditure on skills development and use (see Recommendation 4.6). Funding should be gradually reallocated to areas with the highest returns, e.g. to SAA, career guidance and business support services, and from job creation to training in ALMPs. This funding allocation should be defined in Bulgaria's new action plan for skills.

Effectively sharing the costs of skills development

In addition to increasing public investments in skills and allocating funding effectively, Bulgaria could better share the costs of skills investments among different actors to ensure the skills system's sustainability. There are four principal sources of funding for education and training in Bulgaria: the state budget, the ESIF, employers and the learners themselves. Bulgaria relies on state and ESIF funds in particular.

In addition to the state, employers and, potentially, individuals should contribute more systematically to skills development in Bulgaria, thereby financing the skills system in a tripartite manner. A tripartite funding agreement between these actors should establish the necessary commitment of all actors to raise contributions to skills development.

There is a need to ensure sufficient funding for skills from the state, employers and individuals according to clear principles of responsibility and benefits. Bulgaria has very recently succeeded in utilising cost sharing in certain parts of the skills system, namely in the case of specialist higher education and VET institutions, regional industrial parks and centres of excellence (Box 5.9). In addition, there are various case studies from other OECD and EU countries where such principles and schemes exist, such as in Norway and the Netherlands (Box 5.10).

Box 5.9. Relevant national examples: Effectively sharing the costs of skills development

Bulgaria: Specialist higher education and VET institutions

Bulgaria's new specialist higher education and VET institutions have attracted funding from a range of sources and partners. The Institute for Computer Science, Artificial Intelligence and Technology (INSAIT) in Sofia was established in 2022, alongside other centres of excellence, e.g. Universities for Science, Informatics and Technologies in E-Society (UNITE). INSAIT was created in partnership with Switzerland's ETH Zurich and EPFL, with a focus on scientific excellence: conducting world-class research, attracting outstanding international scientists and training the next generation of graduate and undergraduate students.

INSAIT hopes to have transformational effects on society and the economy: attracting high-quality talent, inventing high-valued intellectual property and supporting research and development (R&D) in the tech sector. Importantly, a range of partners has invested in INSAIT, including Google, DeepMind and Amazon Web Service, in addition to the Bulgarian government committing USD 100 million over ten years.

Bulgaria: Plans for regional industrial parks and the designation of centres of excellence

Regional industrial parks are designed to attract private investment and are set out in Bulgaria's Recovery and Resilience Plan. Implemented by MIG, they aim to create conditions for attracting strategic investors by preparing sites, building infrastructure and supporting investment projects, especially in relation to climate change and digitalisation.

Part of the initiative is the designation of six centres of excellence (CoEs) and ten centres of competence (CoCs) in the period 2014-20 (as set out in the Operational Programme for Science and Education for Smart Growth, OPSESG). Additional support for CoEs and CoCs is planned under the new period (2021-27) with EUR 190 million in funding. It will include:

- innovative teaching and learning methods
- partnerships with higher education institutions, scientific and research organisations and businesses active in similar professional fields oriented towards R&D
- support for international co-operation with other VET CoEs.

The planned centres of excellence and competence include:

- Universities for Science, Informatics and Technologies in E-Society (UNITE)
- National Centre for Mechatronics and Clean Technology
- Centre of excellence "Informatics, information and communication technologies".

The regional industrial parks and the designation of centres for excellence and competence offer a relevant example of shared investment – where the state spends on infrastructure and skills supply to attract private sector investment from both domestic and international sources.

Source: Institute for Computer Science, Artificial Intelligence and Technology, (2023[42]), About Insait, https://insait.ai/about-insait/; UNITe, (2023[43]), Universities for Science, Informatics and Technologies in eSociety, https://unite-bg.eu/; Bulgarian News Agency, (2023[44]), Economy, www.bta.bg/en/news/economy/266406-national-mechatronics-centre-unveiled-at-technical-university-in-sofia; Centre of Excellence in Information and Communication Technologies (2019[45]) About the Project: Centre of Excellence in Information and Communication Technologies, http://ict.acad.bg/.

Box 5.10. Relevant international examples: Effectively sharing the costs of skills development

Norway: A cost-sharing approach

Various models exist of cost-sharing approaches between government, employers and individuals. Norway's shared funding model for adult learning seeks to assign responsibility for funding to the party expected to benefit from the education or training. Norway distinguishes between programmes that provide basic skills, enhance job performance or support worker mobility. It considers that government and society benefit most from increasing the basic skills of its population, while employers benefit from job-specific training leading to productivity gains, and individuals from training that raises their employability or mobility in the labour market.

The Ministry of Education and Research supports the development of basic skills by funding the Basic Competence in Working Life Programme (EUR 16.4 million in 2017) in workplaces. Any employer, public or private, can apply for funding for projects that meet key criteria: basic skills linked to job-related activities and with normal employer operations; skills taught should correspond to lower secondary school level; to reflect competence goals in Framework for Basic Skills for Adults; and courses should be flexible to meet the needs of all participants and strengthen their motivation to learn.

Municipal or county authorities cover the cost of second-chance school education for adults (primary and secondary level), making it free for participants. In tertiary education, individuals or their employers pay for continuing education courses in public universities and university colleges that prepare them for the labour market or improve their quality of life. The government and individuals co-fund general non-formal adult learning and education provided by adult education associations. Private enterprises cover the full costs of job-related non-formal education and training for their employees that is not related to basic skills, such as on-the-job training. Trade unions also have funds for further and continuing education, for which their members can apply.

Netherlands: Tripartite funding agreements

Techniekpact (Technology Pact) is a nationally co-ordinated strategy to ensure technology and technical skills training for the jobs of tomorrow for children, young adults and adult learners. *Techneikpact* is funded by more than 60 partners, including national ministries, the education sector, the five regions, industry and employer organisations and labour unions. An investment fund was created in which the central government, employers and the regions each contributed EUR 100 million towards public-private education partnerships within the region. Implementation of the *Teckniekpact* programme takes place at the regional level, thus allowing regions to adapt more directly to the needs of their labour market and worker population.

Each of the five regions of the Netherlands has its own Technology Pact. The initiative is steered by the National Technology Pact Co-ordinating Group (Landelijke Regiegroep Techniekpact), which co-ordinates, tracks and monitors the implementation of the strategy at the regional and sectoral level. The co-ordinating group comprises representatives from the five regions, central government, employers, workers, the top sectors and the education community.

Source: Institute for Computer Science, Artificial Intelligence and Technology, (2023[42]), About Insait, https://insait.ai/about-insait/; Eurydice, (2017[46]); *Norway: Adult Education and Training Funding*, https://eacea.ec.europa.eu/national-policies/urydice/content/adult-education-and-training-funding-54_en; Bjerkaker (2016[47]), *Adult and Continuing Education in Norway*, http://dx.doi.org/10.3278/37/0576w; OECD (2019[41]), *OECD Skills Strategy Poland: Assessment and Recommendations*, https://doi.org/10.1787/b377fbcc-en; *Techniekpact* (2013[48]), *Summary: Dutch Technology Pact 2020,* www.techniekpact.nl/wp-content/uploads/2014/03/Dutch-Technology-Pact-Summary.pdf; EU STEM Coalition (2019[49]), *Techniekpact (Technology Pact),* www.stemcoalition.eu/programmes/techniekpact-technology-pact.

Project participants stated that there may be a need to test and adapt different approaches to financing as well as the overall balance of responsibilities according to sector and/or geographical location. For example, funding the development of higher levels of skill in more productive firms and sectors may require greater contributions from the firms themselves. In contrast, funding for skills development in lower-skill/lower-productivity environments will likely require higher public contributions. Funding advisory services and activities to boost HPWPs (see Chapter 4) will also require cost-sharing arrangements depending on the characteristics of recipient firms (e.g. their size). It is also likely that other factors may come into play that reinforce the need for an integrated and co-ordinated government approach. For example, employer demand and funding for skills may be tied to other investments or activities, such as R&D or the introduction of new technologies and equipment.

Bulgaria's new action plan for skills could set out the balance of funding responsibilities it expects in meeting these targets from the different actors, i.e. the state, employers and individuals, in all activities and at all levels of the skills system.

Recommendations for effectively sharing the costs of skills development

Recommendations

4.9 **Define and find agreement on a clear overarching division of responsibility for funding skills development – between government (local and national), employers and individuals.** This agreement should clarify where and how government (at the national and municipal levels), employers and individuals should co-invest in education and training. This agreement should be developed by state and social partners and codified in a tripartite agreement. The agreement should also seek to articulate how stable funding will be ensured over time, even with the use of European project-based funding. Such a tripartite agreement could be instigated, co-ordinated and overseen by the proposed Skills Policy Council (see Recommendation 4.1), with support from the strengthened CCVET (see Recommendation 4.3) and other bodies, including the proposed data and evidence centre (see Recommendation 4.6).

Summary of policy recommendations

Policy directions	High-level policy recommendations
Opportunity 1: Developing a whole-of-government and stakeholder-inclusive approach to skills policies	
Developing a whole-of-government approach to skills policies	4.1 Improve whole-of-government leadership, oversight and co-ordination of the skills system by creating a permanent Skills Policy Council for Bulgaria. 4.2 Identify and strengthen the most important bilateral inter-ministerial relationships for skills policies, including through joint projects and other formalised co-ordination actions.
Engaging stakeholders effectively for skills policy making	4.3 Strengthen and extend the Consultative Council for Vocational Education and Training to become a formal committee that works across and supports the whole skills system, reporting to and advising the Skills Policy Council. 4.4 Ensure the planned sectoral skills councils include all relevant stakeholders and that they support the skills system as a whole.
Opportunity 2: Building and better utilising evidence in skills development and use	
Improving the quality and use of skills needs information	4.5 Develop a more comprehensive and consolidated skills assessment and anticipation approach for use by all key actors in the skills system.
Improving the quality and use of performance data and evaluation evidence in skills policy	4.6 Create a cross-government data and evidence centre responsible for collating and improving skills data and evaluation evidence.
Opportunity 3: Ensuring well-targeted and sustainable financing of skills policies	
Increasing and reallocating spending on skills development and use	4.7 Set medium- and longer-term targets for increasing expenditure on skills development in the new Action Plan for Skills. 4.8 Evaluate existing spending across the skills system with the aim of reallocating resources to the activities offering the greatest returns.
Effectively sharing the costs of skills development	4.9 Define and find agreement on a clear overarching division of responsibility for funding skills development – between government (local and national), employers and individuals.

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Notes

1. EU funding for VET comes from the Operational Programme for Science and Education for Smart Growth and the regional development-related Operational Programme for Regions in Growth. In 2014-20, VET was supported by the Operational Programme for Regions in Growth for an amount of BGN 162.4 million (Bulgarian lev) (EUR 83 million) under the Support for VET Schools in Bulgaria programme. Under the Operational Programme for Science and Education for Smart Growth, an amount of BGN 29.1 million was allocated to projects that exclusively targeted VET (European Commission ESIF and World Bank, 2020[5]).

2 Money allocated for lifelong-learning-related interventions increased from BGN 1 049.3 million in the 2007-13 programming period to BGN 1 272.3 million in the 2014-20 period (European Commission ESIF and World Bank, 2020[5]).

Annex A. Engagement

The Bulgaria Skills Strategy project involved ongoing oversight and input from an inter-ministerial team (made up of the Project Steering Committee and the National Project Team). The Project Steering Committee and the National Project Team were co-ordinated by the Ministry of Education and Science (MES) of the Republic of Bulgaria and composed of representatives from various ministries, agencies and social partner organisations, as outlined in Table A A.1 and Table A A.2 below.

Table A A.1. Project Steering Committee

Name	Organisation
Maria Gaidarova	Deputy Minister, Ministry of Education and Science (MES)
Vanya Stoyneva	Deputy Minister, Ministry of Education and Science (MES)
Ivan Krastev	Deputy Minister, Ministry of Labour and Social Policy (MLSP)
Karina Angelieva	Deputy Minister, Ministry of Innovation and Growth (MIG)
Rossitsa Steliyanova	Programs and Projects Manager, Bulgarian Industrial Capital Association (BICA)
Dobri Mitrev	Chair of the Managing Board, Bulgarian Industrial Association
Julian Petrov	Chair of "Education" trade union, Confederation of Labour "Podkrepa"
Vaska Baklarova	Secretary General (incumbent), Union for Private Economic Enterprise
Yassen Tsvetkov	Industrial Policy Advisor (alternate), Union for Private Economic Enterprise

Table A A.2. National Project Team

Name	Organisation
Vania Tividosheva	Director, MES "Vocational Education and Training" Directorate
Polina Zlatarska	Chief expert, MES "Vocational Education and Training" Directorate
Krassimira Todorova	Chief expert, MES "International Cooperation" Directorate
Nikolay Karamihov	Chief expert, MES "Policies for Strategic Development, Qualification, and Career Development" Directorate
Kliment Hristov	Chief expert, MES "Policies for Strategic Development, Qualification, and Career Development" Directorate
Iskra Yoshovska	Chief expert (incumbent), MES "Higher Education" Directorate
Maya Slavova	Chief expert (alternate), MES "Higher Education" Directorate
Aneliya Rusakova	Chief expert (incumbent), MES "Content of the Pre-School and School Education" Directorate
Elena Tarnichkova	State expert (alternate), MES "Content of the Pre-School and School Education" Directorate
Dimitar Enchev	Chief expert (incumbent), MES "Finance" Directorate
Boriana Tsvetkova	Senior expert (incumbent), MES "Finance" Directorate
Maria Todorova	Director, MIG "Policies and Analyses" Directorate
Zhecho Zhechev	Chief expert, Ministry of Economy and Industry "Economic Policy" Directorate
Desislava Dimitrova	Unit "Recruitment, Assessment, and Career Development", Ministry of Finance "Human Resources and Administrative Services" Directorate
Iskra Petrova	Chief expert, MLSP "Labour market Policy and Labour Mobility" Directorate
Alexandra Mircheva	Project Manager (incumbent), Education Bulgaria 2030" Association (NGO)
Velizara Georgieva	Projects Assistant (alternate), "Education Bulgaria 2030" Association (NGO)

OECD consultations in Bulgaria

The OECD held one virtual consultation and two rounds of in-person consultations with officials and stakeholders in Bulgaria between February and June 2022. A broad range of actors participated in these consultations, including ministries, government agencies, subnational authorities, education and training institutions, businesses and business associations, unions and community associations, academia, civil society and other organisations. The consultations included a virtual seminar, interactive workshops, thematic expert meetings and bilateral meetings. Staff of ministries and organisations in the national project team acted as moderators and note-takers during the in-person workshops in April and June 2022.

Consultation 1: Skills Strategy Seminar

During the first virtual consultations on 17 February 2022, members of the OECD team held a seminar to formally commence the project with the Project Steering Committee and National Project Team. The Seminar was attended by various ministries and organisations (Table A A.3).

During the seminar, remarks were shared by Deputy Minister Maria Gaidarova (MES) and Deputy Minister Vanya Stoyneva (MES).

Table A A.3. Skills Strategy Seminar, 17 February 2022

Organisation
Ministry of Education and Science (MES)
Ministry of Labour and Social Policy (MLSP)
Ministry of Innovation and Growth (MIG)
Ministry of Economy and Industry (MEI)
Ministry of Finance
Bulgarian Industrial Capital Association (BICA)
Bulgarian Industrial Association (BIA)
Union for Private Economic Enterprise
“Education Bulgaria 2030” Association (NGO)

Consultation 2: Assessment consultations

During the second consultations, held in person in Bulgaria from 11 to 13 April 2022, members of the OECD team:

1. held a meeting with the NPT to prepare for the workshop
2. held a stakeholder assessment workshop to build broad cross-sectoral buy-in to improve Bulgaria’s skills system, facilitate networking, and gather stakeholders’ views
3. held four experts’ discussions, one on each priority for the project, for the OECD to gather experts’ views on Bulgaria’s main challenges and opportunities to enrich the report.

Representatives of several ministries and offices, social partners, NGOs, education and training providers, and other stakeholders attended the assessment consultations (Table A A.4).

Table A A.4. Organisations participating in the assessment consultations, 11 to 13 April 2022

Organisations
Ministries and agencies
Ministry of Education and Science (MES)
Ministry of Labour and Social Policy (MLSP)
Ministry of Innovation and Growth (MIG)
Ministry of Economy and Industry (MEI)
Ministry of Finance
National Agency for Vocational Education and Training (NAVET)
National Employment Agency (NEA)
National Statistical Institute
Stakeholders
AdvantageAustria - Austrian Chamber of Commerce
Assen Jordanoff Private Vocational College of Air Transport
Association of Industrial Capital in Bulgaria
Balkan Institute for Labour and Social Policy
Bulgarian Chamber of Commerce and Industry
Bulgarian Construction Chamber
Bulgarian Industrial Association
Business Foundation for Education
Centre for Inclusive Education
Confederation of Independent Syndicates in Bulgaria
Education Bulgaria 2030 Association
Human Resources Development Centre
Institute for Research in Education
Junior Achievement Bulgaria
National Trade and Baking High School
Plovdiv University "Paisiy Hilendarski"
Programme Education Executive Agency
Sofia University "St. Kliment Ohridski"
State Enterprise Bulgarian - German Vocational Training Centres
Telelink
Telerik Academy School
Together in Class Foundation
The Union for Private Economic Enterprise
University of Architecture, Civil Engineering and Geodesy

Consultation 3: Recommendations consultations

During the third consultations, held in person in Bulgaria from 20 to 23 June 2022, members of the OECD team:

1. held bilateral meetings with various ministries and organisations on the national project team
2. held a meeting with the NPT to prepare for the workshop
3. held a stakeholder recommendations workshop to test draft recommendations and discuss their feasibility and implementation
4. held 4 experts' discussions, one on each priority for the project, for the OECD to test draft recommendations with experts

Representatives of several ministries, offices and stakeholder groups attended the recommendations consultations (Table A A.5).

Table A A.5. Organisations participating in the recommendations consultations, 20 to 23 June 2022

Organisations
Ministries and agencies
Ministry of Education and Science (MES)
Ministry of Labour and Social Policy (MLSP)
Ministry of Innovation and Growth (MIG)
Ministry of Economy and Industry (MEI)
Ministry of Finance
Council of Ministers, National Co-ordination Unit
National Agency for Vocational Education and Training (NAVET)
National Employment Agency (NEA)
National Statistical Institute
Stakeholders
AdvantageAustria - Austrian Chamber of Commerce
Assen Jordanoff Private Vocational College of Air Transport
Association of Industrial Capital in Bulgaria
Balkan Institute for Labour and Social Policy
Bulgarian Chamber of Commerce and Industry
Bulgarian Construction Chamber
Bulgarian Industrial Association
Bulgarian Network of the UN Global Compact
Bulgarian-Swiss Chamber of Commerce
Business Foundation for Education
Centre for Inclusive Education
Confederation of Independent Syndicates in Bulgaria
Education Bulgaria 2030 Association
Human Resources Development Centre
Institute for Research in Education
Junior Achievement Bulgaria
National Trade and Baking High School
Plovdiv University "Paisiy Hilendarski"
Programme Education Executive Agency
Regional Department of Education - Sofia
Sofia University "St. Kliment Ohridski"
State Enterprise Bulgarian - German Vocational Training Centres
Telelink
Telerik Academy School
Together in Class Foundation
The Union for Private Economic Enterprise
University of Architecture, Civil Engineering and Geodesy

OECD Skills Studies

OECD Skills Strategy Bulgaria

ASSESSMENT AND RECOMMENDATIONS

Skills are the key to shaping a better future and central to the capacity of countries and people to thrive in an increasingly interconnected and rapidly changing world. Megatrends such as digitalisation, globalisation, demographic change and climate change are reshaping work and society, generating a growing demand for higher levels and new sets of skills.

OECD Skills Strategy projects provide a strategic and comprehensive approach to assess countries' skills challenges and opportunities and help them build more effective skills systems. The OECD works collaboratively with countries to develop policy responses that are tailored to each country's specific skills needs. The foundation of this approach is the OECD Skills Strategy Framework, which allows for an exploration of what countries can do better to: 1) develop relevant skills over the life course; 2) use skills effectively in work and in society; and 3) strengthen the governance of the skills system.

This report, *OECD Skills Strategy Bulgaria: Assessment and Recommendations*, identifies opportunities and makes recommendations to improve youth skills, improve adult skills, use skills effectively in the labour market and at work, and improve the governance of the skills system in Bulgaria.



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