



Dimensions

Status

1. Strategic Framework

Bulgaria's institutional framework for setting workforce development (WfD) strategic policies is grounded in legislation that creates clear roles for government ministries, industry and other stakeholders. There is sustained recognition of the importance of skills and WfD by the country's leaders. This has been reflected in several important strategic documents. However, these statutory provisions have not yet translated into a shared policy agenda and sustained commitment to achieve forward-looking priorities for preparing the workforce for the economic opportunities of the future. The lack of broad and relevant data on skills gaps continues to hinder the design and implementation of policy interventions with high potential to improve the WfD framework.



2. System Oversight

Bulgaria has a robust normative framework that includes occupational competency standards and a national qualifications framework for the assessment and certification of individuals' skills. However, many of these standards have not yet been integrated into the curricula for technical and vocational education. Students are tracked into vocational education too early, thus preventing full formation of basic competencies, which can be an obstacle to acquiring the more specialized knowledge and skills demanded by employers. Budget resources tend to prioritize the creation of low-skilled jobs for quick mitigation of unemployment at the expense of investment in innovation in vocational education and training (VET) that could underpin longer-term competitiveness. VET and skills training system performance are not routinely analyzed and there is no system for quality assurance and accountability that informs and supports evidence-based WfD policymaking.



3. Service Delivery

The Bulgarian system permits a diversity of state and non-state providers to offer training services. Partnerships between employers and public training institutions are limited, despite private sector engagement at the strategy level. VET providers are given few incentives for setting and achieving learning outcome targets, and the relevant ministries impose few requirements to facilitate evaluation. At the system level, while administrative data are collected, they are not intensively used for identifying opportunities for resource optimization or measuring the impact of programs on learning and employability.



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Executive Summary

After a decade of sustained growth averaging more than 5 percent a year, the Bulgarian economy contracted sharply as the global economic crisis hit the country in 2008. The subsequent recovery remains very modest. The employment rate among the working age population (aged 16 to 64) over the past three years has been persistently below pre-crisis levels. Unemployment more than doubled from 5.7 percent in 2008 to 12.4 percent in 2012, unleashing job-seeking emigration, especially among the young Bulgarians. The government has responded with a series of short-term measures (e.g., subsidized employment) to restore growth and employment. In the longer term, however, continuously building a skilled workforce will be fundamental for Bulgaria's competitiveness and for promoting sustained growth and shared prosperity, especially in light of the country's projected sharp decline in the workforce due to population aging. In light of the above, the government is considering a number of reforms of the education sector, including a new underlying law on preschool and school education and amendments to the law on vocational and technical training.

At the request of the Government of Bulgaria, to inform the reform process and the national public debate, the World Bank applied a new standardized tool –Systems Approach for Better Education Results- Workforce Development (SABER-WfD) – to systematically assess Bulgaria's policies and institutions for workforce development. Through SABER-WfD, system-level data based on existing policies and practices in Bulgaria (as reflected in laws, policy and operational documents, as well as stakeholder interviews) were collected and analyzed across three Functional Dimensions of WfD: Strategic Framework; System Oversight and Service Delivery and nine related Policy Goals (Figure 1). The resulting data for each Policy Goal were then scored on a four-point scale corresponding to a latent, emerging, established or advanced level of development.

The SABER-WfD results for Bulgaria reveal that the country's workforce development system has reached an established level in terms of Strategic

Framework arrangements, while the System Oversight and the Service Delivery Dimension of the system are at an emerging level of development. These ratings reflect the strengths and the areas requiring further development as detailed below. For Bulgaria to progress to advanced level of development of its WfD system, the Government may consider a number of immediate priority reforms and actions, including:

- Delaying the vocational education track until after compulsory schooling (i.e., after grade 10);
- Optimization of the network and improving the quality of public VET, including through introduction of performance-based measures;
- Development, institutionalization and routine implementation of labor force and employer surveys for assessment of the demand for skills in the workforce, the current and future gaps in order to increase the relevance and alignment of VET to the present and future market needs.

The following paragraphs summarize the status of development by Functional Dimensions and contain a more detailed presentation of suggested directions for policy development.

Strategic Framework

Bulgaria's institutional framework for setting WfD strategic policies is grounded in legislation that creates clear roles for government ministries, industry and other stakeholders. There is sustained recognition of the importance of skills and workforce development in several strategic documents.¹ However, these strengths have not yet translated into a shared policy agenda and sustained commitment to achieve specific priorities, backed by budget allocations and proposals owned by the government and other stakeholders. The lack of

¹ Explicit strategies exist in multiple areas such as the National Program for Development of Education, Science and Youth Policies (2009-2013), the National Strategy for the Development of School and Preschool Education (2006-2015), and the National Strategy for Lifelong Learning (2008-2013), all of which are supported by relevant legislation (e.g., Public Education Law and Law on Vocational Education and Training).

broad and relevant data on skills gaps continues to hinder the design and implementation of policy interventions that have the potential to improve the WfD framework in Bulgaria. Analyses of emerging skills needs are rarely initiated, yet such analyses need to be conducted on a regular basis in order to identify forward-looking priorities for WfD and develop appropriate policies. Despite consensus on the importance of non-government stakeholders in WfD, their effective participation in policy dialogue remains ad-hoc and inadequate.

Directions for policy development:

Assess the demand for skills in the workforce, as well as current and future gaps, through regular labor force and employer surveys. Such surveys would focus on learning outcomes and competences, with results being measured in terms of trainee employment outcomes and employer satisfaction. The longitudinal SABER-WfD study for Korea shows that back in the 1970s Korea had the same rankings for its WfD system as Bulgaria today. By 2010, Korea's scores moved up to advanced in terms of strategic framework and system oversight, and established in terms of service delivery. This progress is partly explained by the routine collection (since the 1970s) of robust information on the country's labor market conditions and the demand for skills, generated by government research institutions. Bulgaria may consider the development and institutionalization of its own routine data collection mechanism. Alternatively, the OECD's Program for the International Assessment of Adult Competencies (PIACC) and the World Bank's STEPs surveys are now being used by many countries to assess, for the first time, the skills possessed by the entire working age population and which of those skills employers most value.

Build consensus on the strategic actions required to best prepare the workforce for the jobs and economic opportunities of the future. This consensus needs to be based on international and domestic economic and social trends. The strategic vision needs to reflect the rapid aging of the population in Bulgaria (calling for strong lifelong learning system) and to refocus the education system to build

stronger foundation in basic skills instead of early acquisition of specialized occupational skills.

Position the National Council for Tripartite Cooperation as a key player in the workforce development consultations. Given the National Council for Tripartite Cooperation's mandate for reviewing and commenting on draft regulations on employment and vocational training, it appears to be well-positioned to play a leading role in fostering continued consultation, dialogue and collaboration to arrive at consensus and priority action among the many WfD stakeholders.

Expand the coverage of the Bulgarian University Ranking System. The collection of information on graduates' labor market outcomes by degree program and institution could be expanded to cover also the graduates of non-tertiary VET institutions.

System Oversight

Bulgaria boasts a robust normative framework related to the assessment and certification of individuals' skills in the form of occupational competency standards and a national qualifications framework (NQF). However, many of these standards have not yet been integrated into the curricula for technical and vocational education and labor training, and some occupational competency standards are still to be developed. Further, the existence of the occupational competency standards has not yet led to the prioritization of budget allocations so that the capacity for achieving these standards can be strengthened.

A particular structural issue of the education system is the early tracking of students (after grades 7 and 8) into the vocational education stream. The network of vocational schools has remained unreformed, despite the wave of school optimization that affected the general schools in Bulgaria following the 2008 decentralization and per capita finance reforms. As evidenced from all PISA² rounds,

² ISA - Program for International Student Assessment – a program designed and implemented by OECD for assessment of students at the age of 15. Bulgaria participated in all PISA assessments except in 2003. Performance data are available for the assessment rounds in 2000, 2006, 2009 and 2012.

including the most recent assessment in 2012, Bulgarian vocational schools, with a few exceptions, have become magnets of low student performance. More than half of the 15-year-old students in vocational schools (53.2 %, PISA 2012) are functionally innumerate and score below the critical threshold of mathematical achievement, compared to 28.6 % of innumerate students in the profiled secondary schools. While non-vocational schools managed to improve their PISA performance over time in all the three tested domains – reading, math, and science – vocational school performance deteriorated in reading and science and stayed unchanged in math (see Table 1).

Table 1. Performance of vocational and profiled general secondary schools in PISA 2009 and 2012

Subject	Profiled Secondary School		Vocational Schools	
	PISA 2009	PISA 2012	PISA 2009	PISA 2012
Math	461	475	415	416
Reading	475	489	407	403
Science	475	488	425	421

Within the group of vocational schools, there are huge internal inequalities, with low student performance concentrated predominantly in vocational schools providing training for the first and second degree of professional qualification. Schools providing the third degree of professional qualification fared better, but very few achieved scores in the national student assessment and PISA comparable to the results of the profiled schools.

Early vocational training prevents vocational students from having full exposure to a complete basic general education curriculum and hampers the acquisition of generic and transferable skills. It also reduces the likelihood for progression to tertiary education. This is an issue with serious implications for the adaptability of the Bulgarian workforce in a

fast-changing economic and technological environment.

While the imperatives of a fast aging population have been recognized in the national Lifelong Learning Strategy, measures such as a nationwide occupational and career guidance system and a framework for the recognition of prior learning have yet to be scaled up.

Directions for policy development:

Consider delaying the tracking of students into vocational education. In light of the proposed new structure of pre-university education envisioned in the draft new Preschool and School Education Act, vocational education may be delayed until after completion of compulsory schooling (i.e., after grade 10). The draft amendments to the VET Law and the government’s plans to introduce elements of the dual vocational education system present an opportunity to reconsider the early vocational tracking, modernize the curriculum and optimize the network of vocational schools. Taken together, these measures may have a strong positive impact on the quality and relevance of education, as evidenced by the strong educational performance of countries that have implemented similar reforms in the past (see Box 4 on the 1999 education reforms in Poland).

Fully integrate the occupational competency standards into the curricula for technical and vocational education and labor training.

Implement regular analyses of the performance of the VET and skills training system, its cost-effectiveness and labor market impacts. For instance, regular cost-benefit evaluations of youth training programs across Latin America have revealed significant labor market impacts, more stable funding, and an improved delivery model.

Service Delivery

The Bulgarian system permits a diversity of state and non-state providers to offer training services. This positive feature can help increase access and encourage competition and excellence in training provision. In the context of limited regulatory

capacity, however, it also requires increased efforts to ensure quality assurance and accountability, which is the weakest link in Bulgaria's WfD system.

At the institutional level, providers are given few incentives for setting and achieving learning outcome targets, and the relevant ministries impose few requirements to facilitate evaluation. At the system level, while the Ministry of Education and Science (MES) and the National Agency for Vocational Education and Training (NAVET) collect administrative data, it is not intensively used for identifying opportunities for resource optimization or measuring the impact of programs on learning and employability. In addition, these data and concomitant reports are not consistently made available to the public.

Partnerships between employers and public training institutions are limited, despite private sector engagement at the strategy level. The lack of widespread and sustained partnerships poses challenges for keeping instructional materials, facilities and course offerings up to date and limits the resources and opportunities available to students. This also constrains opportunities for teachers to gain industry exposure. In addition, the system for initial and continuing education for instructors is centralized, which hinders both the diffusion of new techniques and training providers' ability to introduce new programs in response to market needs.

Directions for policy development:

Involve the local area economic committees in educational and training planning. This will ensure a closer alignment between skills supply and demand in line with regional economic and social conditions and prospects. These committees, if well-represented by leading firms in the area, are a critical source of labor market intelligence and may provide information that is often not captured by surveys.

Encourage practical cooperation within the triangle of schools, businesses and the research and development sectors and create opportunities for teachers to gain exposure to industry. One possible mechanism is to formalize the role of employers and empower them with executive authority on the boards of training institutions. In Singapore, for instance, a representative from private industry chairs the board of the Institute of Technical Education and the Institute's constituent colleges likewise involve private sector representatives on their boards.

Include specific provisions in the draft new VET Law on quality assurance in TVET. This may include the assignment of specific roles to the proposed new National Educational Inspectorate. The system could also benefit from the development and implementation of an internal system of quality control for the VET schools. Such a measure needs to be complemented by schemes to support the capacity of VET schools to create and implement internal quality control systems.

Develop a web-based platform for exchange of good practices in VET provision. This platform should have nationwide coverage of VET establishments and should draw from international experience as well.

Develop a system of quality assurance and accountability of the WfD system in Bulgaria that informs and supports evidence-based WfD policymaking. By launching the Bulgarian Universities Ranking System, Bulgaria has made important strides to gather and publicly disseminate regularly data on employment, earnings, and employer satisfaction with higher education, by field and institution type. This experience may be expanded further to cover the broader WfD system in Bulgaria, and be used to provide information to guide individuals' decisions about their training choices.

1. Introduction

This report presents a comprehensive diagnostic assessment of Bulgaria’s workforce development (WfD) policies and institutions. The results are based on a new World Bank tool designed for this purpose, SABER-WfD. SABER-WfD is part of the World Bank’s initiative on Systems Approach for Better Education Results (SABER)³ whose aim is to provide systematic assessment and documentation of the policy and institutional factors that influence the performance of key areas of national education and training systems. The SABER-WfD tool encompasses initial, continuing and targeted vocational education and training that are offered through multiple channels and focuses largely on programs at the secondary and post-secondary levels.

Analytical Framework

The tool is based on an analytical framework⁴ that identifies three Functional Dimensions of WfD policies and institutions:

- Strategic framework, which refers to the praxis of high-level advocacy, partnership, and coordination, typically across traditional sectoral boundaries, in relation to the objective of aligning WfD in critical areas to priorities for national development;
- System Oversight, which refers to the arrangements governing funding, quality assurance and learning pathways that shape the incentives and information signals affecting the choices of individuals, employers, training providers and other stakeholders; and
- Service Delivery, which refers to the diversity, organization and management of training provision, both state and non-state, that deliver results on the ground by enabling individuals to acquire market- and job-relevant skills.

Taken together, these three Dimensions allow for systematic analysis of the functioning of a WfD system as a whole. The focus in the SABER-WfD framework is on the institutional structures and practices of public policymaking and what they reveal about capacity in the system to conceptualize, design, coordinate and implement policies in order to achieve results on the ground. Each Dimension is composed of three Policy Goals that correspond to important functional aspects of WfD systems (see Figure 1). Policy Goals are further broken down into discrete Policy Actions and Topics that reveal more detail about the system.⁵

Figure 1: Functional Dimensions and Policy Goals in the SABER-WfD Framework



Implementing the Analysis

Information for the analysis is gathered using a structured SABER-WfD Data Collection Instrument (DCI). The instrument is designed to collect, to the extent possible, facts rather than opinions about WfD policies and institutions. For each Topic, the DCI poses a set of multiple-choice questions that are answered based on documentary evidence and interviews with knowledgeable informants. The answers allow each Topic to be scored on a four-point scale against standardized rubrics based on available knowledge on global good practice (See figure 2). Topic scores are averaged to produce Policy Goal scores, which are then aggregated into Dimension scores. The results are finalized following

³ For details on SABER see <http://www.worldbank.org/education/saber>

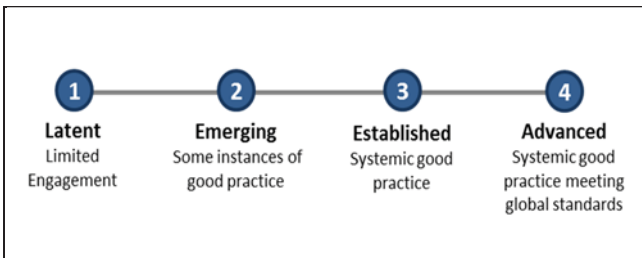
⁴ For an explanation of the SABER-WfD framework, see Tan et al 2013.

⁵ See Annex 2 for an overview of the structure of the framework.

validation by the relevant national counterparts, including the informants themselves.

The rest of this report summarizes the key findings of the SABER-WfD assessment and also presents the detailed results for each of the three functional dimensions. To put the results into context, the report begins below with a brief profile of the country’s socioeconomic makeup.

Figure 2: SABER-WfD Scoring Rubrics



2. Country Context

Bulgaria joined the European Union (EU) in 2007, following a turbulent political and economic transition in the 1990s. Its per capita GDP of \$7,158 in 2011⁶ qualifies it as an upper-middle income economy. In the decade prior to the 2008–09 global financial crisis, Bulgaria enjoyed sustained economic growth, averaging more than 5 percent a year. After a sharp decline in GDP in 2009, growth has resumed, but only modestly. The crisis has required the government to focus its attention on mitigating growing unemployment and on maintaining fiscal stability.

The country has a population of about 7 million people, consisting of three large ethnic groups: Bulgarians (84.8 percent); Turks (8.8 percent); and Roma (4.9 percent)⁷. The population is projected to shrink by 18 percent between 2000 and 2025, reflecting the impact of low fertility and emigration. The population is aging rapidly: according to estimates by the Bulgaria National Statistics Institute (NSI)⁸ the ratio of those aged 65 and older to those between the ages of 15 and 64 will rise from 25 percent in 2011 to 47 percent by 2040. Emigration is concentrated among those aged 20 to 39 years, accounting for between 60 and 75 percent of the annual emigrants between 2007 and 2011. Reflecting negative demographic trends, Bulgaria's labor force is also projected to decline from 3.4 million in 2011 to 3.2 million by 2020.⁹

At present, the sectors employing the largest number of workers are: manufacturing, wholesale and retail industry, education, health and social services, and construction. However, in the aftermath of the 2008 financial crisis, employment in the first two sectors and construction has significantly declined. In contrast, administrative and support services, financial services, insurance and

ICT industries have all been sources of employment growth. Unemployment has been rising steadily in recent years, reaching 12.4 percent in 2012, more than twice its 2008 level (5.7 percent). Unemployment is concentrated among those with lower levels of education. In terms of skills supply, the majority of Bulgarians have completed secondary schooling and about 20 percent have a tertiary qualification. According to Eurostat data for 2011, the unemployment rate was 25.5 percent among those who had not progressed beyond lower secondary education (ISECD levels 0-2), while it was 9 percent among those with upper secondary and post-secondary non-tertiary education (ISCED levels 3 and 4), and 5 percent among those with tertiary education (ISECD levels 5 and 6). Compared to the corresponding unemployment rates in EU countries, the rate among the least educated in Bulgaria has grown significantly since the beginning of the financial crisis.

In 2012, Bulgaria was among the 7 EU countries with the highest level of early school leavers. The school dropout issue affects the VET schools (4.2 percent dropout rate)¹⁰ much more than the general schools (1.6 percent dropout rate). Students from disadvantaged backgrounds are more likely to attend VET gymnasiums and schools; hence the higher dropout rates have a disproportionate impact on their communities compared with the general population. Education attainment varies considerably by ethnicity: about 70 percent of ethnic Turks and 93 percent of ethnic Roma in Bulgaria have not completed secondary education, compared to 30 percent for ethnic Bulgarians. According to the NSI,¹¹ at the beginning of 2011, 23.2 percent of Roma children aged 7 to 15 did not attend school, a relatively high proportion in relation to the ethnic Turkish minority (11.9%) and ethnic Bulgarians (5.6%). Similarly, the illiteracy rate among the Roma population (11.8%) is significantly higher than that of ethnic Turks (4.7%) and Bulgarians (0.5%). There are also disparities between urban and rural areas: more than 70 percent of the urban population has completed at least upper secondary education

⁶ <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.

⁷ NSI, 2012, <http://censusresults.nsi.bg/Census/> (Data based on information provided by the population that answered the question of ethnic self-identification – 91 percent of the whole population).

⁸ NSI, 2012, <http://www.nsi.bg/index.php> - Population forecast - convergence scenario

⁹ Labour force by gender, Bulgaria, CEDEFOP, Skills forecasts, Bulgaria 2012.

¹⁰ NSI, 2013

¹¹ NSI, 2011 Population Census – Main Results, NSI, Sofia, 2012, p. 30-31.

compared to only 40 percent of those who live in rural areas.¹²

Learning outcomes in Bulgaria have been deteriorating. According to the Program for International Student Assessment (PISA) in 2012,¹³ a high proportion of Bulgarian 15 year-olds scored below proficiency level 2¹⁴ in reading, mathematics and science (39.4 percent, 43.8 percent, 36.9 percent, respectively, compared to less than 18, 23 and 17.8 percent on average, respectively, for their peers in OECD countries). On this indicator, Bulgaria scores similarly to Romania and much worse than some non-EU countries with a similar level of per capita GDP, like Serbia and Turkey. Low performance in PISA is concentrated predominantly in VET and small rural schools. The variation in performance between schools in Bulgaria is much more prominent than the differences in performance within schools. This phenomenon is caused by the early test-based selection of students after grades 7 and 8, which tracks students into profiled schools, non-profiled general schools and vocational schools. Profiled schools offer general education with additional focus on a selected subject (e.g., foreign language, mathematics, ICT, etc.). General schools provide education without extra focus on a given subject, while vocational schools accommodate vocational subjects into the curriculum, often at the expense of the time allocated to general curriculum subject. The average PISA 2012 math score of vocational schools was 416 compared 475 of the profiled secondary schools. More than half of the vocational students scored below the critical numeracy threshold in PISA 2012, compared to a 28 percent share of functionally innumerate in the profiled secondary schools. Thus, the school system is divided into high performing public profiled schools (often referred to as “elite” schools) and a majority of

average to low performing general and vocational schools. In the latter group, the VET schools prevail.

Participation in continuing education and training among Bulgarian adults is the lowest among EU countries. According to a 2012 European Centre for the Development of Vocational Training (CEDEFOP) survey,¹⁵ only 1.2 percent of the population aged between 25 and 64 years old had participated in education or training activities in the four weeks prior to the survey, a rate that is less than a seventh of the EU average. The combination of poor learning outcomes among Bulgarian youth and limited participation in lifelong learning among adults is a cause for concern. It compromises the quality of the future workforce and the country’s ability to move into more lucrative areas of economic activity. At the same time, it diminishes the capacity of the current workforce to adapt to economic restructuring and to take advantage of new job opportunities.

¹² Census, 2011, NSI, 2012 - <http://www.nsi.bg/census2011/index.php>.

¹³ OECD (2010), PISA 2009 Results: What Students Know and Can Do – Student Performance in Reading, Mathematics and Science, (Volume I), <http://dx.doi.org/10.1787/9789264091450-en> (Volume I), Results for countries and economies: Annex B1, p. 194, 221, 225.

¹⁴ PISA scores students from 1b to 6, with 6 being the highest. Scores below 2 indicate a level of achievement below the threshold for functional proficiency.

¹⁵ CEDEFOP, 2012, <http://www.cedefop.europa.eu/EN/statistics-and-indicators/continuing-vocational-training-and-adult-learning.aspx>

3. Overview of the Results

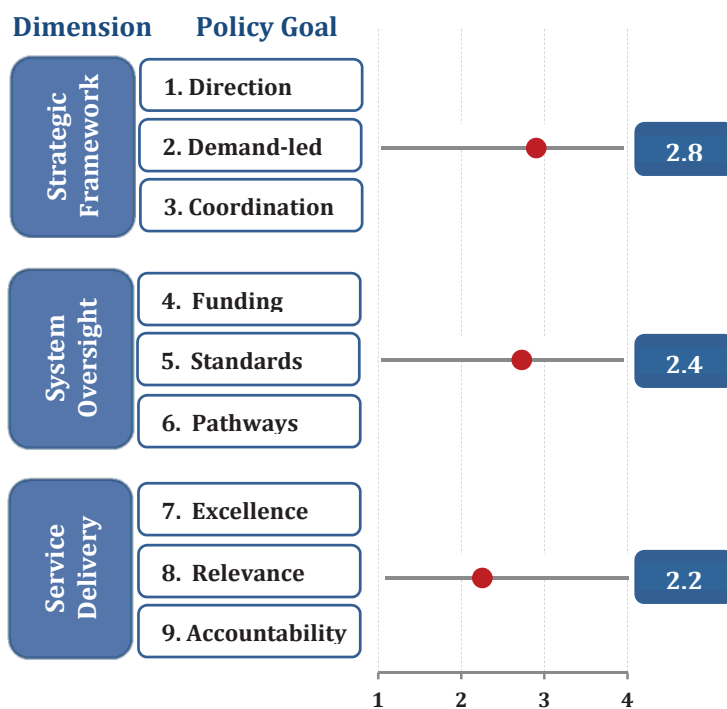
This section presents the findings from the assessment of Bulgaria’s WfD system based on the SABER-WfD analytical framework and tool. The focus is on policies, institutions and practices in the three Functional Dimensions of policymaking and implementation—strategic framework, system oversight and service delivery. Because these aspects collectively create the operational environment in which individuals, firms and training providers make decisions with regard to training, they exert an important influence on observed outcomes in skills development. Strong systems of WfD have institutionalized processes and practices for reaching agreement on priorities, for collaboration and coordination, and for generating routine feedback that sustain continuous innovation and improvement. By contrast, weak systems are characterized by fragmentation, duplication of effort and limited learning from experience.

The SABER-WfD assessment results presented in the following sections provide a baseline for understanding the current status of the WfD system in the country as well as a basis for discussing ideas on how best to strengthen it in the coming years.

Figure 3 shows the overall results for the three Functional Dimensions in the SABER-WfD framework. For Strategic Framework Bulgaria is rated at the Established level (2.8 out of a possible 4.0¹⁶); and for System Oversight and Service Delivery, the score falls at the Emerging level of development (2.4 and 2.2, respectively).

The findings suggest that Bulgaria’s policies and institutions for WfD are currently most developed at the strategy level, with systems for governance and service delivery relatively less strong. Relative system strength with respect to strategy holds promise for future improvement in the other Dimensions, as it indicates that there is a strong foundation on which measures to address existing issues with policy implementation may be based.

Figure 3: Bulgaria’s Dimension-Level Scores



¹⁶ For a given composite score, X, the conversion to the categorical rating shown on the cover is based on the following rule: 1.00 ≤ X ≤ 1.75 converts to “Latent”; 1.75 < X ≤ 2.50, to “Emerging;” 2.50 < X ≤ 3.25, to “Established;” and 3.25 < X ≤ 4.00, to “Advanced.”

4. Aligning Workforce Development to Key Economic and Social Priorities

Socioeconomic Aspirations, Priorities and Reforms

WfD is not an end in itself but an input toward broader objectives – of boosting employability and productivity; of relieving skills constraints on business growth and development; and of advancing overall economic growth and social wellbeing.

Bulgaria's key socio-economic objectives are laid out in the Europe 2020: National Reform Program,¹⁷ which sets goals for updating infrastructure, increasing the competitiveness of Bulgaria's labor force, creating a pro-business environment, and fostering trust in public institutions. This document frames WfD as an important tool to achieve both economic competitiveness and social protection for the most vulnerable segments of society. Specifically, it includes the goal of achieving 76 percent employment of the population aged 20 to 64 (compared to 63 employment rate in 2012), a 260,000 person reduction by 2020 in the number of people living in poverty and a reduction in unemployment among vulnerable groups.

Although strategic documents recognize that a long-term strategy for building a skilled workforce is fundamental for Bulgaria's prospects of competitiveness, sustained growth and shared prosperity, reforms of the education sector are still to be developed. One reason for delayed reforms is that slow growth and high unemployment as result of the 2008 financial crisis have led to a focus on short-term subsidized employment programs that protect primarily low-skilled jobs at the expense of investments in long-run competitiveness. Current major strategic documents related to WfD include: National Program for the Development of School and Preschool Education 2006–2015 and the National Lifelong Learning Strategy.

The National Program for the Development of School and Preschool Education 2006–2015 adopted by the National Parliament laid down the goals for overall improvement in access to and quality of school education as a major element of national workforce development.

Priority areas for promoting lifelong learning, set out in the National Lifelong Learning Strategy, include: improving opportunities for lifelong learning and provision of high quality and effective continuing and adult education, improving curricula and VET, developing job training, career guidance, and validation and recognition of skills and competences.

In addition, the National Employment Strategy (2008–2015) is focused on (i) improving the match between education and training, on the one hand, and the changing needs of the labor market on the other, and (ii) encouraging participation in lifelong learning, the activation of inactive and discouraged people, and the effective integration of vulnerable groups in the labor market.

Two major laws define the legal framework for WfD (see Box 1): the Law on Public Education and the Law on Vocational Education and Training, which are currently under review. Both laws are meant to develop the skills for handling complex and constantly changing learning methods (including information technology), build key competencies, create attitudes and skills for lifelong learning, and improve access to education (including early childhood development). The envisioned legislative changes in education provide for the development of a set of state educational standards and improve the opportunities for diversified learning pathways and validation of skills and competences. A new internal system of quality management in kindergartens and schools is envisioned in the draft new Preschool and School Education Law to improve the quality of educational services and organizational development of the educational institutions.

¹⁷ Adopted by the Council for Development in 2011; Updated from the National Reform Programme (2011-2015)

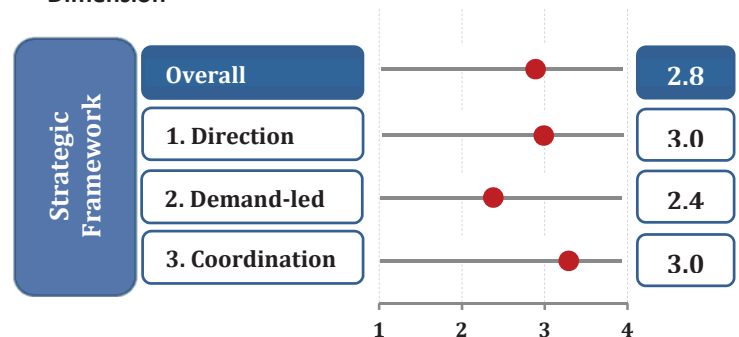
Box 1: Legislative Framework for WfD

<i>Law</i>	<i>Function</i>
The Law on Vocational Education and Training	Sets the legal environment and institutional framework for initial vocational education and continuing vocational education
The Law on Public Education	Provides the legal foundation for the overall education system and establishes the right of citizens to continuously enhance their education and qualifications
The Law on the Degree of Education, the General Education Minimum and the Curriculum	Regulates the state educational requirements for awarding degrees, the legal minimum general education attainment and the public education curriculum
The Labor Code	Makes provision for opportunities for vocational education and training and re-qualification for employed individuals
The Law on Employment Promotion	Defines the institutions and actors involved in promoting training among employed and unemployed individuals and disadvantaged groups
The Law on Crafts	Sets the rules and requirements for training in designated (traditional) crafts

SABER-WfD Ratings on the Strategic Framework

Based on data collected by the SABER-WfD questionnaire, Bulgaria receives an overall rating of 2.8 (Established) on the Strategic Framework Dimension (see figure 4). This score is the average of the ratings for the underlying Policy Goals relating to: (1) Setting a Direction for WfD (3.0); (2) Fostering a Demand-led Approach to WfD (2.4); and (3) Strengthening Critical Coordination for WfD (3.0). The explanation for these ratings on the Policy Goals and their implications follow below.

Figure 4: SABER-WfD Ratings of the Strategic Framework Dimension



Note: see figure 2 for an explanation of the scale on the horizontal axis.

Source: based on analysis of the data collected using the SABER –WfD questionnaire.

Policy Goal 1: Articulating a Strategic Direction

Leaders play an important role in crystallizing a strategic vision for WfD appropriate to the country’s unique circumstances and opportunities. Their advocacy and commitment attract partnership with stakeholders for the common good, build public support for key priorities in WfD, and ensure that critical issues receive due attention in policy dialogue. Taking these ideas into account, Policy Goal 1 assesses the extent to which apex-level leaders in government and in the private sector provide sustained advocacy for WfD priorities through institutionalized processes.

Bulgaria scores at the Established level for Policy Goal 1. The government has put in place an institutional framework for setting strategic WfD priorities in partnership with non-government stakeholders. However, WfD leaders have not articulated a clear set of specific priorities or provided the sustained momentum necessary to drive home results. At the policy level, leaders’ efforts have not always been able to establish coherence between Bulgaria’s economic development objectives and WfD policy. Further, coordination between the line ministries appears to focus on operational concerns and lacks the direction from leadership at the strategy level.

Workforce development in Bulgaria is the responsibility of three main institutions: (1) MES; (2) the Ministry of Labor and Social Policy (MLSP); and

(3) NAVET. MES is concerned with ensuring coherence between education policies and national and European priorities and strategies, and curriculum design, assessment systems and professional qualifications. MLSP is involved in the provision of both IVET and targeted training programs, and is the primary body responsible for conducting labor market analyses. NAVET is in charge of licensing and occupational standards.

A limited number of non-government actors take leadership roles with regard to WfD policy. Such players include representatives of trade unions (Podkrepa and the Confederation of the Independent Trade Unions) and business associations (Vazrazhdane and the Bulgarian Industrial Association (BIA)), among others. The BIA, for example, is currently developing an information system that evaluates workforce competencies to record the stock of various skills in the labor market. BIA's experts also submit proposals for legislative changes. Other stakeholders also engage in policy dialogue with the government on an ad-hoc basis, but, in general, inter-institutional cooperation is sporadic and needs improvement.

Policy Goal 2: Fostering a Demand-led Approach to WfD

Effective advocacy for WfD requires credible assessments of the demand for skills, engagement of employers in shaping the country's WfD agenda and incentives for employers to support skills development. Policy Goal 2 incorporates these ideas and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) establish clarity on the demand for skills and areas of critical constraint; and (ii) engage employers in setting WfD priorities and in enhancing skills-upgrading for workers.

Bulgaria scores at the Emerging level for Policy Goal 2. Despite some surveys (albeit of limited scope) to assess skills constraints and promising private sector initiatives, the information base available to leaders to ensure that WfD policies are aligned to the demand for emerging skills is not robust. Furthermore, the government provides few

incentives to employers to develop and upgrade their employees' skills or participate in creating a demand-driven system.

Although numerous ad-hoc, occasional surveys to measure skills demand and supply have been conducted by the government in the past three years, the data collected have not been used systematically to generate reliable information on skills gaps. There has been a push from a limited number of private sector players for such practices, best exemplified by the BIA's project "Development of Workforce Competence Assessment System by Sectors and Regions,"¹⁸ which is designed to identify and measure the stock of technical and soft skills across regions and economic sectors (see box 2). Despite this ambitious project, current assessments of skills constraints are generally limited in scope and tied to specific projects.

There are few incentives for employers to assess future skills needs and develop and upgrade employees' skills. The lack of opportunities for business representatives to exercise a leadership role in setting WfD strategic priorities in partnership with government is a deterrent to their active participation. There are also few initiatives to encourage employers to become more active participants in the WfD system by providing training to workers. While the Law on Employment Promotion states that employers in the formal sector can apply for grants to support training of employees (including purchasing training services, on-the-job training and mentorships), this option is not widely used because of ambiguity about the requirements and procedures for obtaining such grants. Furthermore, interaction and cooperation among businesses and training institutions is rare, either through national level committees or direct engagement. The government provides few formal

¹⁸ The project has been implemented by the Bulgarian Industrial Association – *Union of the Bulgarian Business* in the period 2009-2013, in accordance with Agreement № BG 051PO 001-2.1.06/23.10.2009 under measure BG 051PO 001-2.1.06 "Enhancing Labour Market Flexibility and Effectiveness through Active Actions by the Social Partners" within the 2007-2013 *Human Resource Development Operational Programme*, partly financed by the European Social Fund.

incentives for employers to engage in the training system to support curriculum development, training delivery and quality assurance. As a result, vocational courses tend not to meet businesses' requirements, leading to poor employment outcomes and wasted public and private resources.

It is important to note that Bulgaria's informal sector is estimated to contribute to a third of the country's GDP and employ 22 percent¹⁹ of the labor force. However, programs for upgrading of informal sector employees' skills are extremely scarce.

Those programs that exist to encourage employer participation in policymaking are not regularly reviewed. In advanced systems, routine reviews of such initiatives are used both to improve programs and to inform new policies. In Bulgaria, recommendations from those analyses that are done are not consistently incorporated into the process of developing policies and determining the allocation of programmatic funding. One reason for this is that public institutions do not have sufficient resources for policy analysis, in part due to the fact that these activities compete for limited funds and manpower with other ministry functions.

Policy Goal 3: Strengthening Critical Coordination for Implementation

Ensuring that the efforts of multiple stakeholders involved in WfD are aligned with the country's key socioeconomic priorities is an important goal of strategic coordination. Such coordination typically requires leadership at a sufficiently high level to overcome barriers to cross-sector or cross-ministerial cooperation. Policy Goal 3 examines the extent to which policies and institutional arrangements are in place to formalize roles and responsibilities for coordinated action on strategic priorities.

¹⁹ Monitoring Report "Limitation and prevention of the informal economy – 2012", Association of Industrial Capital in Bulgaria, p . 51, funded by the Operational Programme "Human Resources Development" 2007-2013, contract BG051PO001-2.1.05. The data indicate the share of employers' answers for existing practices of "often and very often employment without a contract." The quoted data are for September-October 2012 (the figure for 2010 is 28.4 percent).

Bulgaria scores at the Established level for Policy Goal 3. There are clearly defined legal roles for both government and non-government stakeholders. However, while formal and ad-hoc mechanisms for non-government stakeholder input exist, these mechanisms do not consistently fulfill their potential for generating effective coordination in support of improving WfD strategies and policies

The Law on Employment Promotion defines the roles of WfD stakeholders with respect to their participation in formal bodies for collaboration on strategy and policy. The functions of government agencies are clearly defined and there are few areas of overlap in mandate. There are some areas of policy, such as occupational standards, coordination of the state admission plan²⁰ and organization of vocational guidance, where significant inter-ministerial collaboration occurs.

There are several formal bodies that coordinate input from non-government stakeholders. Employers, industry associations and trade unions participate in two advisory bodies under the MLSP. The National Council for Promotion of Employment decides priority areas for training and selects the programs to be funded, while the National Consultative Council for Vocational Qualification of the Labor Force, on which the government, employers and trade unions are equally represented, is an advisory body in charge of coordination of national policies for lifelong learning. While these bodies provide platforms for non-government stakeholder input into the operations of the MLSP, regular reports of their activities and achievements are not publicly disclosed, nor is there clear evidence that these bodies have had an impact on the mainstreaming of good practices into the formal WfD system.

Non-government stakeholders also hold seats on the NAVET management board and on the Monitoring Committee of the "Human Resources Development Operational Program" (HRD-OP) 2007–2013. At

²⁰ The "state admission plan" reflects the number of the students in the state and municipal schools" (Art. 49, para. 2 of the Regulations for Implementation of the Public Education Law).

NAVET, stakeholders establish Expert Commissions for setting vocational standards, decide on licensing procedures for private training providers, and offer proposals to MES for the development and improvement of the VET system. The Monitoring Committee of HRD-OP convenes twice a year to design programs and monitor the effectiveness and quality of programs currently under implementation. While the Committee is composed primarily of government agencies, representatives of national industry associations, labor unions and NGOs also participate.

Various ad-hoc mechanisms have also been established to ensure coordination. For example, businesses are consulted in the process of legislative reform. NAVET has also established close cooperation with different business associations in sectors such as construction, chemistry, wood industry and furniture, cosmetics, tourism, welding, and the meat, fruit and vegetable processing industries.

There is little research on the impact of non-government stakeholders' participation in decision-making in Bulgaria, however anecdotal evidence suggests that these groups have not been able to effectively articulate and advocate for their collective interests. Therefore, their practical influence on the decision-making process in the country is still limited. In addition, it has been observed that the government tends to treat coordination mechanisms as a formality. This fact, combined with rather weak advocacy for WfD as a tool to achieve broader development objectives and the lack of commitment to clear, monitorable and achievable WfD goals on the part of the government, has meant that Bulgaria's numerous mechanisms for coordination have not consistently generated meaningful results.

Directions for Policy Development

Strengthening the leadership and the strategic steering of Bulgaria's WfD system

The country's leadership – in government, business and society at large – needs to foster active and broad-based public debate on strategic, forward-

looking actions on how to best prepare the workforce for the jobs and economic opportunities of the future. There is a need to balance short-term demands with longer-term demands related to growth, diversification and economic competitiveness. As an example, Korea's government has a long-standing practice of convening various bodies for debate and discussion on strategic WfD goals and approaches. The latest example is the Korean President's decision in 2010 to create the National Employment Strategy Council, bringing together nine ministries and five industry federations to address the pressing challenge of skills mismatch, job scarcity and high youth unemployment.

Given the National Council for Tripartite Cooperation's mandate for reviewing and commenting on draft regulations on employment and vocational training, it appears to be well-positioned to play a leading role in fostering continued consultation, dialogue and collaboration to arrive at consensus and priority action among the many WfD stakeholders.

Engaging in regular assessments of the demand for skills in the workforce to identify current and future gaps

An essential part of forging broader social and political consensus for investing effectively in WfD should be the assessment of the demand for skills in the workforce and of current and future gaps. This can be done through regular labor force and employer surveys that focus on learning outcomes and competences, with results being measured in terms of trainee employment outcomes and employer satisfaction. The longitudinal SABER-WfD study for Korea shows that back in the 1970s Korea had the same rankings for its WfD system as Bulgaria today. By 2010, Korea's scores moved up to advanced in terms of strategic framework and system oversight, and established in terms of service delivery. This progress is partly explained by the routine collection (since the 1970s) of robust information on the country's labor market conditions and the demand for skills, generated by government research institutions. In Ireland, the advisory Expert

Group on Future Skill Needs, set up in 1997 to ensure coherence in the identification of skill needs and economic trends, has made a valuable contribution to informed policy decisions.

Bulgaria may consider the development and institutionalization of its own routine data collection mechanism. Alternatively, the OECD’s Program for the International Assessment of Adult Competencies (PIACC) and the World Bank’s STEPs surveys are now being used by many countries to assess, for the first

time, the skills possessed by the entire working age population and which of those skills employers most value.

Bulgaria has already gained data collection and analysis experience through the Bulgarian University Ranking System. This initiative could be expanded in coverage. The collection of information on graduates’ labor market outcomes by degree program and institution could cover also the graduates of non-tertiary VET institutions.

Box 2: “Development of Workforce Competence Assessment System by Sectors and Regions”

Implemented by the BIA in partnership with national trade unions, this effort aims to create a digital database – the Workforce Competence Assessment System (CASSY) – that will enable the identification and measurement of technical and non-cognitive competencies, occupations and qualifications by sector. This project is still in its initial stages, but it is envisaged that it will comprise the following components and sub-components:

<p><u>Sector Competence Model</u></p> <ul style="list-style-type: none"> List of Key Occupations Description of Business Processes Catalogue of Core (socio-emotional and non-cognitive), technical and leadership competencies 	<p><u>Sector Model of Occupation</u></p> <ul style="list-style-type: none"> Occupational definition Education level required (links to NQF) and list of institutions where education can be acquired 	<p><u>Development Resources in the Sector</u></p> <ul style="list-style-type: none"> Training and education Certification Assessment
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Source: BIA (2012)

5. Governing the system for Workforce Development

Overall Institutional Landscape

An important function of WfD authorities is to foster efficient and equitable funding of investments in workforce development, to facilitate effective skills acquisition by individuals and to enable employers to meet their demand for skilled workers in a timely manner. The objective is to minimize systemic impediments to skills acquisition and mismatches in skills supply and demand. This section begins with a brief description of how the WfD system is organized and governed before presenting the detailed SABER-WfD findings on System Oversight and their policy implications.

TVET in Bulgaria is delivered through multiple pathways: IVET, CVET and targeted programs. IVET comes under the purview of the MES, while CVET and targeted programs are managed by the MLSP. However, the development of draft state educational requirements and the drafting of a list of occupations, as well as the licensing and quality assurance of CVET, are the responsibility of the National Agency for Vocational Education and Training (NAVET), a specialized body created under the 2000 Law on Vocational Education and Training. Secondary VET is financed primarily from the state budget, while post-secondary IVET and CVET rely largely on funds from individuals and the EU. Bulgaria does not use special mechanisms such as a levy scheme to mobilize resources directly from employers.

Bulgarian students are streamed into general or vocational tracks following 6 or 7 years of basic education (see graph in Annex 7). The focus of the vocational track is to provide students with opportunities to acquire professional and technical qualifications in accordance with state requirements. All students that successfully complete secondary education are eligible to apply for academic or technical courses at the post-secondary level.

Issues relating to skills acquisition have received increased attention from the government in recent

years. Provisions for a broader range of suppliers of vocational training and for broader competencies were laid out in the 2009 Law on Vocational Education and Training. In addition, Decision № 96, which was adopted in February 2012 by the Council of Ministers, set the stage for the creation of a national qualifications framework aligned to the European qualifications framework.

In the last decade, the national total public expenditure for all levels of education has been steadily decreasing. In 2012 total public education expenditures reached 3.6 percent of the GDP, compared to an EU average of 5.2 percent. However, with 0.6 percent of GDP expenditure on public and private vocational and prevocational educational programs at secondary and post-secondary non-tertiary levels of education (ISCED 3-4) in 2010, Bulgaria is among the top 10 EU-27 countries for this indicator.²¹

SABER-WfD Ratings on System Oversight

Based on data collected by the SABER-WfD questionnaire, Bulgaria receives an overall rating of 2.4 (Emerging) for system oversight (see figure 5 below). This score is the average of the ratings for the underlying policy goals: ensuring efficiency and equity of funding (2.0); assuring relevant and reliable standards (2.9); and diversifying pathways for skills acquisition (2.3). The explanation for these ratings and their implications follow below.

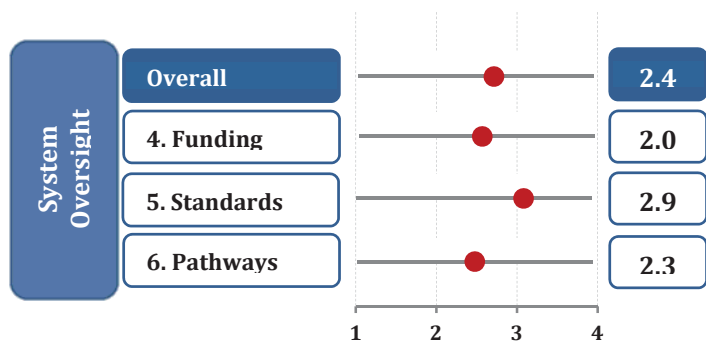
Policy Goal 4: Ensuring Efficiency and Equity in Funding

WfD requires a significant investment of resources by the government, households and employers. To ensure that these resources are effectively used it is important to examine the extent to which policies and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing and targeted VET; (ii) monitor and

²¹ CEDEFEP, 2012 - Expenditure on general and vocational programs (data available for 16 EU-27 countries).

assess equity in funding; and (iii) foster partnerships with employers for funding WfD.

Figure 5: SABER-WfD Ratings of the System Oversight Dimension



Note: see figure 2 for an explanation of the scale on the horizontal axis.

Source: based on analysis of the data collected using the SABER-WfD questionnaire.

Bulgaria scores at the Emerging level on Policy Goal 4. The rating reflects strengths with respect to procedures for allocating funds for targeted programs under the National Employment Action Plan, and for monitoring the effect of such allocations on equity in funding. These are counterbalanced by concerns about the stability of funding for VET related to heavy reliance on EU monies and the absence of institutionalized measures to address equity.

Government funding for VET flows through annual budget allocations to MES for IVET. The bulk of funding channeled through MES is allocated to state and municipal secondary schools for salaries and maintenance of facilities. Per student allocations for vocational and pre-vocational education at secondary and post-secondary non-tertiary levels exceed those for general secondary education and vary based on the occupation under study. Funds for secondary schools that supply IVET are provided according to a standard formula based on enrolment and the previous year’s allocations. Measures to improve efficiency, such as allocating funding on the basis of achievement against selected outcome indicators, program alignment with WfD priorities, and innovation in service delivery, are not explicitly considered.

Government funding for CVET and targeted training programs is channeled through MLSP. Since 2008, the Council of Ministers, as part of the government’s response to the financial crisis, has authorized additional funds for programs under the National Employment Action Plan. Programs under this Action Plan, such as “I Can” and “Razvitie (Development),” aim to provide training and other services to individuals who have lost their jobs or were required to move from full time to part time employment. In 2010, a positive evaluation of the “I Can” program, which involves the use of training vouchers, prompted the decision to scale up the program to reach a projected 60,000 new beneficiaries. In general, however, assessments to determine the impact of programs and funding mechanisms on promoting equity are limited.

In Bulgaria, government funding of VET is supplemented by EU funds and by household spending. Although employers are a potential source of funding and other resources, their contribution is not formalized through public-private partnerships or mechanisms for mandatory contributions to dedicated training funds (e.g., levy schemes). Employers are currently given few financial incentives to collaborate with training providers. The government recognizes the important role of employers, but its current programs to promote partnerships between training institutions and employers are still in a pilot phase and do not reach all regions, especially remote areas where businesses and schools lack the capacity to form viable partnerships. Nonetheless, a number of employers have entered into partnership with training providers to provide workplace training or internships for students, one example being the relationship between the “Electro mobiles” industrial cluster and the Center for Vocational Training at the Auto Motor Corporation. In general, partnerships between training institutions and employers have been initiated on an ad-hoc basis.

In a strong system for WfD, the government’s funding for training is routinely monitored and adjusted to enhance the impact on equity. Bulgaria lacks a comprehensive system for monitoring and evaluation. Nonetheless, the relevant government

agencies conduct ad-hoc analysis of most publicly funded training programs that are targeted to vulnerable groups. Although such data are consolidated, they are used mainly for administrative purposes rather than for assessing the impact on equity of government support for training. A more fundamental issue is equity of opportunities for skills acquisition, which depend on a strong foundation in basic literacy and numeracy. For this reason, the government is considering a new law on pre-school and school education aimed at fostering inclusion and mainstreaming education for vulnerable children including those with special education needs. However, implementing the law would require mobilizing significant financial, organizational and human resources beyond what the government currently spends on education and training.

Policy Goal 5: Assuring Relevant and Reliable Standards

The WfD system comprises a wide range of training providers offering courses at various levels in diverse fields. An effective system of standards and accreditation enables students to document what they have learned and employers to identify workers with the relevant skills. For Policy Goal 5 it is therefore important to assess the status of policies and institutions to: (i) set reliable competency standards; (ii) assure the credibility of skills testing and certification; and (iii) develop and enforce accreditation standards for maintaining the quality of training provision.

Bulgaria scores at the Established level for this Policy Goal. The score is consistent with the country's progress in introducing a National Qualifications Framework (NQF) and putting in place the necessary institutional infrastructure for aligning curricula, testing procedures, and standards for accreditation and licensing with this framework. However, the necessary adjustment of curricula and testing procedures lags behind the development of occupational standards, and measures for the quality control of training providers and programs are not robust.

In February 2012, Decision No. 96 of the Council of Ministers adopted the NQF in Bulgaria. It is in compliance with the European Reference Framework that provides a common basis to compare the qualification levels of different national qualification systems and supports the mobility of learners and workers within Europe. Two main institutions are involved in the development and implementation of the NQF. The MES is responsible for elaborating and updating it, while the development of competency standards has been assigned to NAVET (see Box 3), which convenes expert commissions made up of major government and non-government stakeholders to define occupations and develop standards. Ultimate approval of standards is done by MES, an administrative requirement that can delay their adoption and that some have questioned on the grounds that MES representatives sit on NAVET's management board and thus already have the opportunity to control the quality of standards.

Box 3: The National Agency for Vocational Education and Training (NAVET)

The National Agency for Vocational Education and Training (NAVET), a specialized body of Bulgaria's Council of Ministers, was established in 2000 under the Law for Vocational Education and Training. Its managing board comprises delegated professionals of nationally representative employers' and employees' organizations, state institutions, and organizations from various economic and vocational sectors. NAVET deals with the licensing and monitoring of educational institutions that supply training services. NAVET provides organizational, methodological and legislative support to the institutions applying for a license and afterwards during the organization of training courses. NAVET coordinates the elaboration of strategies for the development and improvement of vocational education and training (VET). Its expert commissions on professional issues pertaining to VET draft state educational requirements for acquiring professional qualifications and provide a list of occupations. (More information is available at: <http://www.navet.government.bg/en/nappo>)

Bulgaria has identified 234 occupations and has developed standards for 170. The rapid pace of standards development has created challenges in terms of assuring the relevance of standards to labor market needs and putting in place procedures for their regular review and revision. In line with good practices, Bulgaria has begun to develop competency-based curricula that are aligned with occupational standards. However, this process is still in an initial stage and has been hindered by the lack of methodological guidelines for translating occupational competencies into curricula. In addition, a system for issuing credits for certifying competencies and facilitating transfer has not been established.

In principle, certification of competencies currently occurs through state exit exams, which are tailored to each occupation and test both theory and practical skills. Because exams are aligned with occupational standards, examination programs for a significant number of jobs have not yet been developed, as many occupational standards have only just been developed. Thus, during this period of transition, students in many vocational programs are still tested according to procedures that are not aligned with the NQF.

This previous testing regime failed to gain the confidence of employers as a means for signaling skills. While there is hope that the value that employers place on state certificates as a reliable signaling mechanism will grow as the NQF expands, at present many employers do not require state certification as a condition for hiring employees. Given the speed at which standards have been completed, the ability of the testing system to certify the skills that employers value is still an open question. According to the Law on Vocational Education and Training, the line ministries and employers' associations are both involved in the process of developing, coordinating and updating the state educational requirements for vocational education. However, little policy dialogue on competency standards is taking place among professional communities outside the experts' committees of the NAVET, something which could influence the broad applicability of the system for

standards and testing. Many larger employers have chosen to build their own training facilities, partly because they prefer to train their employees through their own programs and according to their own standards. In some cases, this is due to the difficulty of finding appropriately skilled workers and training opportunities. However, it also reflects concerns about quality of training provided by other educational and training institutions.

The government oversees the quality of Bulgaria's network of public and private VET providers. Standards for the accreditation of programs and licensing of training providers are set and reviewed by MES and NAVET, respectively. The development of accreditation standards involves input from relevant stakeholders, but their review and revision are conducted internally. In Bulgaria, regardless of their status or source of funding, all training providers, except schools, must obtain a license issued by NAVET before providing training services if they want to issue state-recognized professional qualifications. These requirements for entry are broadly enforced. However, licenses and accreditation do not need to be renewed. In principle, they could be revoked in cases of non-compliance and, for non-state training providers of CVET, failure to report administrative data. However, there is no system of regular audits or other measures for quality control. In addition, less severe forms of censure and procedures for supporting lagging institutions have not been formalized.

Policy Goal 6: Diversifying the Pathways for Skills Acquisition

In dynamic economic environments workers need to acquire new skills and competencies as well as keep their skills up-to-date throughout their working lives. They are best served by a system of initial and continuing education and training that promotes lifelong learning by offering clear and flexible pathways for transfers across courses, progression to higher levels of training and access to programs in other fields. For those already in the workforce, schemes for recognition of prior learning are essential to allow individuals to efficiently upgrade their skills and learn new ones. Policy Goal 6

therefore evaluates the extent to which policies and institutions are in place to: (i) enable progression through multiple learning pathways, including for students in TVET streams; (ii) facilitate the recognition of prior learning; and (iii) provide targeted support services, particularly among the disadvantaged.

Bulgaria scores at the Emerging level for Policy Goal 6. While creating open, flexible pathways for progression through the education system and recognition of prior learning are government priorities, the current system has not effectively addressed obstacles to lifelong learning related to certification, recognition of informally acquired skills and access to career guidance services.

Vocational education tracks start after 6 or 7 years of general schooling. According to the Law on Education, it is not intended to be a “dead-end” track: both secondary vocational schools and post-secondary technical colleges allow for the continuation of education and the pursuit of formal skills acquisition in academically or vocationally-oriented institutions, including at the university level. However, early occupational specialization of students in the Bulgarian education system does not allow full formation of basic competencies, which in turn can be an obstacle to acquiring the more specialized knowledge and skills demanded by employers. Along with this, early separation of students into different types of schools has shown to accelerate educational inequalities, mirroring the economic and social gaps in society. This structure of the Bulgarian school system tends to magnify rather than reduce social inequalities. All this leads to an increasing concentration of students from vulnerable groups in the vocational schools, a growing proportion of students at risk of early school leaving in VET, a decreasing level of learning outcomes and student performance, and lower status and attractiveness of VET for students and instructors. The higher level of failure and poor quality of education in these schools are leading to an increased mismatch between the demand for and supply of a labor force with acceptable qualifications.

Early tracking leads to major practical difficulties in moving to different educational fields of study. Admission to post-secondary educational institutions requires passing a standard exam for which students in the general education track are often better prepared. As a result, students in the vocational track wishing to progress to higher education may have to undertake additional preparation.

The government has recognized the importance of a system that enables fluid movement in and out of VET throughout one’s working life. For vocational education, this means being able to accumulate credits with the possibility of their transfer to higher education. Bulgaria has established a national expert group to coordinate activities related to the introduction of the credit system for VET. However, regulations and pilot projects to introduce and test a national system for credit transfer are yet to be developed. This inaction increases the importance of students’ educational choices early in their schooling, as shifting courses of study may involve loss of time and money related to repeating coursework

Pressures related to Bulgaria’s aging population have also highlighted the importance of having an adaptable workforce able to update skills in line with changing market demands. The government has established a Lifelong Learning Strategy that aims to create a framework for establishing a robust system of lifelong learning. This strategy, along with NAVET’s Annual Plans, identifies recognition of prior learning (RPL) as a key priority. However, concrete action to set procedures for recognizing the knowledge, skills and competencies acquired through non-formal training and informal learning has not yet been taken. Thus workers may struggle to gain formal recognition for current skills, while employers may struggle to identify workers with the skills they need. One action that some advanced systems have taken to drive progress on RPL is to create a national organization of stakeholders dedicated to adult learning issues. In addition to providing guidance on establishing systems for RPL, these agencies play an important role in coordinating stakeholders’ actions and elevating the visibility of adult learning issues among the wider public.

On-the-job training (OJT) opportunities, another important piece of a lifelong learning society, are not widely available. This is in part related to a lack of incentives to help employers overcome the barriers related to coordination and funding, which keep them from providing such opportunities to workers. Although the Law on Employment Promotion provides for support to employers to train employees, the practical implementation of these measures is impeded by the lack of funding, job-training modules and programs, mentorship arrangements (such as capacity building and incentives for mentors at the workplace), and systems for certifying the knowledge and skills acquired during OJT.

Another important aspect of lifelong learning is the availability of career guidance to allow those in the workforce to identify industries where their skills are in demand as well as the opportunities to acquire new skills. Limited career guidance services are provided in vocational schools, gymnasiums and colleges. Bulgaria also provides these services through centers for information and vocational guidance. As of November 2012, 10 centers were in operation, seven of which were based in Sofia. In an attempt to increase the accessibility of these services, Bulgaria is opening 28 additional regional centers for career guidance with the financial support of the European Social Fund. While the expanded access is encouraging, the lack of labor information systems for analysis, research, and forecasts of skills demand is an obstacle to the provision of effective guidance that still needs to be addressed.

With respect to career guidance services for disadvantaged populations, a number of programs introduced under successive National Employment Action Plans have increased resources available to support labor market access for these groups. Nonetheless, they are currently limited in scope and do not as yet meet the needs of some disadvantaged groups.

Directions for Policy Development

Introducing the vocational education track at a later stage

Early occupational specialization of students in Bulgaria does not allow full formation of basic competencies, which in turn can be an obstacle to acquiring the more specialized knowledge and skills demanded by employers. In light of the proposed new structure of pre-university education envisioned in the draft new Preschool and School Education Act, it is desirable for the vocational education track to be delayed until after completion of compulsory schooling (i.e., after grade 10). The draft amendments to the VET Law and the Government's plans to introduce elements of the dual vocational education system present an opportunity to reconsider the early vocational tracking, modernize the curriculum and optimize the network of vocational schools. Taken together, these measures may have a strong positive impact on the quality and relevance of education, as evidenced by the strong educational performance of countries that have implemented similar reforms in the past (the example of Poland²² is presented in Box 4).

²² The impact on student learning outcomes in Poland as a result of delaying the vocation track is discussed in the World Bank's report "The Impact of the 1999 Education Reform in Poland", 2010 (Jakubowski, Patrinos, Porta, Wiśniewski).

Box 4: Poland's experience in postponing the vocational education track

In 1999, Poland embarked on ambitious education reforms that (i) delayed the vocational education track by one year (from grade 8 to grade 9), (ii) revised the curriculum, methods of administration and supervision of schools, (iii) changed the qualification requirements for teachers while introducing a system of remuneration at an adequately high level; (iv) introduced a system for national student assessments; and (v) raised the standards and the expectations for the performance of teachers and students. Since then, the learning outcomes of the Polish 15-year-old students have persistently improved, as evidenced by the significant gains in Poland's performance in all subsequent PISA assessment rounds. The impact of these reforms has been rigorously evaluated and the results, presented in the World Bank's report "The Impact of the 1999 Education Reform in Poland," confirm the positive effect of delaying vocational tracking on students' learning outcomes.

Diversifying learning opportunities

Two sets of policy measures are required in order to correct the current deficiencies in the skilled labor force. The first set should be aimed at mobilizing capacity to improve the quality of education and training. However, the quality enhancement of the future labor force in VET will not be sufficient to meet the demand for skills (since the size of the younger generations will continue to shrink in the long run).

Therefore, these measures should be complemented by a second set of measures to significantly increase the participation in education and training of the already economically active and to encourage economically inactive people to enhance their professional qualifications and suitability for employability, competitiveness, and higher productivity. For this purpose, it is necessary to expand the opportunities for access to career guidance, develop models for the reintegration of early school leavers into the education system (second chance schooling) and introduce a system for the validation of qualifications and recognition of prior learning.

Addressing the disconnect with employers

The tendency of large employers to build their own training facilities and programs, which do not articulate with existing public VET systems, is cause for a concern. It signals little confidence in a system in which 0.6 percent of the GDP is invested. Significant attention to this, including stronger feedback mechanisms between government and employers and more venues for employer participation is urgently needed to better align the system. Measures to improve the quality of VET through steps such as continuing to expand and strengthen competency based curricula in targeted industries could serve as a basis to increase employer input into training delivery.

Leveraging funds from and partnerships with employers

In other systems, employers are a source of substantial resources for training providers. The government and WfD stakeholders need to consider options for leveraging funds from employers. Employers can be encouraged to partner with institutions. The absence of mechanisms to do so in Bulgaria is a missed opportunity.

Bulgaria's share of public expenditures on education expressed as a percentage of GDP (3.6%) is significantly lower than the EU-27 average (5.4%). As regards the VET system, the share of spending on education is of particular importance for optimizing the network of VET schools, upgrading the facilities at vocational schools and creating new training programs, as well as for providing higher financial incentives to attract young, well-trained teachers.

The current trend of prioritized budgetary allocations for creating jobs for people with low skills at the expense of investment in the skills of the labor force is at odds with the mid-term outlook for the economy and the labor market. According to the CEDEFOP forecasts, the Bulgarian economy will have fewer opportunities for low-skilled employment and an increased demand for a medium and highly qualified workforce.

A clear distinction is necessary between social assistance policy and active labor market measures; the latter need to be carefully assessed, reshaped and focused strategically on innovation and improving the quality of vocational education and training.

The government needs to implement regular analyses of the performance of the VET and skills training system, its cost-effectiveness and labor market impacts. Per student allocation for vocational and pre-vocational education at secondary and post-secondary levels exceed those for general secondary schools, and yet the latter score significantly better on PISA and national assessments, which is a cause for concern and requires a thorough review of the VET system. The allocation of funding on the basis of achievements against targets is a better approach than the current per student funding allocations, particularly in the absence of post-licensing quality assurance measures. Equally important, regular measurement of the impact of funding is key for the government to better understand value for money. For instance, regular cost-benefit evaluations of youth training programs across Latin America have led to significant labor market impacts, more stable funding, and an improved delivery model.

6. Managing Service Delivery

Overview of the Delivery of Training Services

Training providers, both non-state and government, are the main channels through which the country's policies in WfD are translated into results on the ground. This chapter therefore provides a brief overview of the composition of providers and the types of services available in the system before presenting the detailed SABER-WfD findings on Service Delivery and their policy implications.

By 2013, 142,733 students were enrolled in VET—140,352 in vocational programs at the lower and upper-secondary levels and 2,381 at the post-secondary level (table 2). This represents 51 percent of total enrollment in upper-secondary education, and 0.83 percent of total post-secondary enrollment. In addition, in 2011 1,074,196 people (or about 26 percent of those aged 25-64) participate in formal education and training or informal learning. While the rate of participation in upper-secondary vocational programs is slightly higher than the EU average, participation in CVET is among the lowest in EU countries. This, in part, reflects the fact that firm-based training is rare. For example, in 2010 the 22 percent of employees (all enterprises) participate in CVET courses. Only 4 other EU Member States register worse performance on this indicator (Eurostat).

During the previous decade, enrollment in vocational or technical education has declined slightly. The share of students across programs has remained constant over time, something that in the face of changes in the structure of the economy could indicate a lack of system responsiveness. This could reflect both a lack of links between firms and training providers and a lack of information on labor market prospects for various occupations available to students.

There are several challenges facing VET. The first has to do with quality. Data from PISA show that Bulgarian students perform far below their peers in most other EU countries. The second is the challenge

of attracting and retaining high quality instructors, mainly due to the low prestige of the teaching profession and the loss of well-trained staff to other professional opportunities. This is compounded by the fact that a large number of teachers are approaching retirement age. These factors might contribute to the recent trend of a decrease in the attractiveness of vocational education, which experts believe could accelerate the decline in enrollment rates.

The Law on Vocational Education and Training authorizes a wide range of state and non-state entities to offer VET. It grants the right to issue professional qualifications to vocational schools, art schools, sports schools, vocational colleges and vocational training centers, all run by the government.

Non-state providers of VET include private schools, centers for vocational training, employers' organizations, and firms. Both domestic and foreign for-profit and non-profit providers are allowed to offer vocational training. Most providers of educational services at the post-secondary level and adult vocational training are private entities, and of these most are for-profit entities.

The majority of providers of VET at the secondary level are public entities, though some public institutions do provide post-secondary VET as well. Both national ministries and municipalities offer VET through operating schools, universities and centers for vocational training. Among ministries, the MES is the primary provider of VET, though relevant line ministries also provide limited training in areas related to their mission. These ministries take responsibility for the provision and oversight of funding to VET institutions as well as for setting admission criteria for the institutions that they manage. However, regardless of the overseeing ministry, the approval of applications to offer new programs is the responsibility of MES or Regional Inspectorates of Education, giving these bodies the ability to determine the overall supply of public training.

Table 2: Students enrolled in vocational education and training in 2012-2013 school year

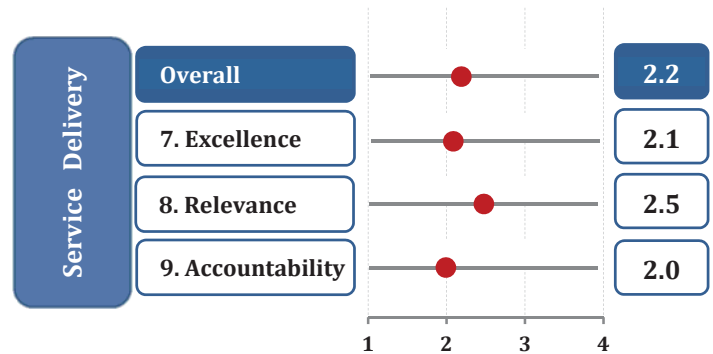
Art Schools III level of prof. qualification		6,450
Vocational Gymnasiums III level of prof. qualification		95,443
Vocational colleges at post-secondary level		2,381
Vocational Gymnasiums and Schools II level of prof. qualification		35,469
I level of prof. qualification	Vocational Schools With enrolment after VI and VII grade	1,979
	Vocational Schools With enrolment after VIII grade	1,011

Source: NSI, 2013

SABER-WfD Ratings on Service Delivery

Based on data collected by the SABER-WfD questionnaire, Bulgaria receives an overall rating of 2.2 (Emerging) for the Service Delivery Dimension see figure 6. This score is the average of the ratings for the underlying Policy Goals: (i) enabling diversity and excellence in training provision (2.1); (ii) fostering relevance in public training programs (2.5); and (iii) enhancing evidence-based accountability for results (2.0). The explanation for these ratings and their implications follow below.

Figure 6: SABER-WfD Ratings of the Service Delivery Dimensions



Note: see figure 2 for an explanation of the scale on the horizontal axis.

Source: based on analysis of the data collected using the SABER-WfD questionnaire.

Policy Goal 7: Incentivizing Diversity and Excellence in Training Provision

Because the demand for skills is impossible to predict with precision, having a diversity of providers is a feature of strong WfD systems. Among non-state providers the challenge is to temper the profit motive or other program agendas with appropriate regulation to assure quality and relevance. Among state providers a key concern is their responsiveness to the demand for skills from employers and students. Striking the right balance between institutional autonomy and accountability is one approach to address this concern. Policy Goal 7 takes these ideas into account and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) encourage and regulate non-state provision of training and (ii) foster excellence in public training provision by combining incentives and autonomy in the management of public institutions.

Bulgaria scores at the Emerging level for Policy Goal 7. A diversity of non-state providers is active in the training market, despite few government incentives to encourage non-state provision. While most of these providers are registered and licensed, few measures are in place for quality assurance. With regard to public training provision, the government grants considerable autonomy to the institutions, but neither requires them to meet explicit

performance targets, nor provides financial or non-financial incentives for performance.

According to the 2009 Law on Vocational Education and Training, VET may be delivered both by state and non-state providers (e.g., national and local public institutions, universities, employers' organizations, labor organizations and national and international NGOs and businesses). Private for-profit providers are most numerous. National programs in VET are limited in terms of number, beneficiaries served and funding. Although diversity in training provision allows for increased access to VET, experts have raised concerns about the average quality and relevance of such services.

Bulgaria's support for opening non-state TVET institutions is limited to the provision of guidelines for registration, licensing and accreditation of training programs. All training providers are required to be registered and licensed, requirements that do not seem to pose major obstacles to entry. In fact, the diversity of non-state training providers indicates that market conditions are favorable for entry, even in the absence of government incentives.

Licensing is a key mechanism for regulating the quality of non-state training provision in Bulgaria. Non-state providers of adult training must register as a legal entity and apply for a license from NAVET. Applications for licenses are reviewed by expert commissions within NAVET based on criteria such as the availability of material and human resources for providing quality vocational training, the provider's access to financing and the results of studies justifying the provider's application in terms of impact on the quality and efficiency of VET. Once licensed, providers are required to submit annual reports to the NAVET, a measure meant to ensure providers' adherence to minimum standards of quality. NAVET experts are also empowered to conduct audits that can result in the closure of non-compliant institutions. NAVET also provides administrative and technical support to lagging institutions. In practice, these two options are seldom used because few institutions are found to be lagging. One reason for this may be the absence of external evaluations of educational services,

which has prompted questions about the adequacy of NAVET's quality assurance procedures.

In some well-functioning systems, private associations of training providers play an important role in self-regulation and advocacy. Although the Association of Licensed Vocational Training Centers was established in 2004, it has not met since 2010. However, a joint initiative of MES and the British Council has sought to create a framework for self-assessment.

Public training institutions have significant autonomy over admissions, operations and staffing, and most are allowed to generate revenue. The schools are overseen by Regional Inspectorates of Education and MES, and, while they are required to report administrative data, regulators set no specific targets for performance. In the context of broad freedom in programming and budgeting, the lack of targets raises concerns about the quality and efficiency of the public training system. However, a recent ordinance by MES sets out guidelines for establishing criteria and indicators for quality assurance in vocational schools, which was an essential step towards alignment with the European Quality Assurance Reference in VET.²³

Mechanisms for accountability are centralized in the MES. This creates a situation where the local authorities best positioned to oversee the operation of training providers are not empowered by law to do so. For example, complaints about the management of training institutions can be raised with MES and the Regional Inspectorates of Education, who examine the case and decide on a course of action. This centralized system strains the Ministry's capacity to respond effectively. To address these issues, the draft Law on Preschool and School Education seeks to devolve power to local authorities to elaborate and monitor implementation of local WfD strategy and hold public training providers accountable. It also aims to clarify responsibilities in the system of quality assurance at all levels of government, including by

²³ Ordinance 09-872/29.06.2012 for approval of areas, criteria and indicators for quality evaluation of vocational education and training

creating the National Education Inspectorate to develop, examine and refine criteria and indicators for inspection; to organize and conduct the inspection of schools; and to identify specific measures to enhance the quality of school education.

Another important strand of quality assurance in VET is the use of financial and non-financial incentives to encourage public training institutions to provide high-quality and market relevant training programs. Currently, the use of incentives for excellence in training provision is limited. For example, Bulgaria's system of determining budgets for training institutions is based primarily on enrolment. By contrast, many advanced systems allocate discretionary funds to training providers in a way that is indexed to outcomes and innovation in service delivery to reward institutional performance.

Policy Goal 8: Fostering Relevance in Public Training Programs

Public training institutions need reliable information on current and emerging skills demands in order to keep their program offerings relevant to market conditions. It is therefore desirable for public training institutions to establish and maintain relationships with employers, industry associations, and research institutions. Such partners are a source of both information about skills competencies and expertise and advice on curriculum design and technical specifications for training facilities and equipment. They can also help create opportunities for workplace training for students and continuing professional development for instructors and administrators. Policy Goal 8 considers the extent to which arrangements are in place for public training providers to: (i) benefit from industry and expert input in the design of programs and (ii) recruit administrators and instructors with relevant qualifications and support their professional development.

Bulgaria scores at the Emerging level of development for Policy Goal 8. Only informal and sporadic links exist between public training institutions and industry, resulting in the limited involvement of

industry in curriculum design and in the specification of standards for training facilities. Links between public training providers and research institutions are rare. The score on this goal also reflects the fact that previous industry experience is not a criterion for the recruitment of instructors and administrators of public training institutions. Furthermore, instructors often face practical difficulties in accessing opportunities for professional development.

Industry provides inputs into the creation of occupational standards, curricula and measures for quality assurance through participation in NAVET's Board and Expert Committees. However, partnerships between individual firms and providers, which can increase the participation of employers in managing, funding and augmenting the services provided, are largely non-existent. Such partnerships have been increasing in recent years, but these tend to be sporadic, weak, and limited in scope. For instance, there are only a few examples of private companies providing scholarships for trainees or consulting with providers in the development of textbooks and training methods. Existing partnerships are often built on the basis of personal and business contacts. Therefore they are highly dependent on individuals rather than institutional processes. Moreover, no policies exist to facilitate these partnerships. The absence of such partnerships can lead to a misalignment between the skills taught by training providers and those required by industry. As a result, training is too often supply driven.

The lack of reliable labor market data, either from industry or other sources, makes it difficult for providers to align program offerings with skills demand. Consequently, logistical and technical considerations such as the availability of facilities, equipment and teaching staff often take precedence over market needs. In addition to enhancing direct links with industry, forming partnerships with research institutions can also play an important role in augmenting the flows of information to training providers to inform the creation of programs.

One major impediment to the intensification of links between businesses and educational and training

institutions is disinterest among the business community. A culture of corporate social responsibility is not yet widespread and industry does not recognize that it is in its competitive interest to engage. This can partially be attributed to the low social value placed on VET; some firms have decided to partner instead with so called “elite” schools, a relationship that offers considerably more prestige. It can also be attributed to the perceived poor quality of many VET programs among employers.

In advanced systems, local businesses may offer systematic financial support, technical equipment and professionals’ working time to endorse the VET schools and training. In such systems, significant benefits including influence in managing training institutions, better access to appropriately skilled workers, and opportunities to identify and hire high-performing individuals often accrue to those employers that engage. In the absence of such partnerships, a vicious circle of lack of employer input, leading to poor quality training and to disincentives to cooperate, can develop. Faced with such issues, some governments have intervened in training markets by providing financial and non-financial incentives, including levy-grant schemes, to induce firms to think more proactively about training in the hope that it increases the linkages between firms and training providers.

The Law on Education sets recruitment standards for heads of training institutions, which include minimum academic qualifications and teaching experience. Criteria and standards for recruiting instructors are set by MES and are limited to academic qualifications only. These standards apply to staff at both state and non-state providers.

The Law on Education states that school principals and teachers must be provided with opportunities to improve their qualifications, and requires schools to spend a certain percentage of their budget on instructors’ professional development (in 2012, the minimum requirement was 0.8 percent of the budget allotted for salaries). However, this requirement does not necessarily translate into the availability of high quality training opportunities, and

some schools conduct training merely as a formality. Lack of effective monitoring of the results of such training has led to questions about their quality.

Despite the availability of professional development being prescribed in law, many school administrators and instructors face obstacles when pursuing professional development opportunities. Even though schools develop qualification plans for teaching staff, training courses are offered “centrally” and are not always in consonance with the needs and expectations of teachers and schools. These centrally provided courses may not offer modern training on innovative technologies, new pedagogical methodologies or instruction on emerging occupations. In addition, internship opportunities in firms with adequate infrastructure for instructor training are rare. Teachers often must pay for their participation in these qualification courses without support from the school budget. Budgetary constraints also restrict the number of substitute teachers available to replace those instructors who choose to enroll in qualification training. In post-secondary education the situation is complicated by the fact that the majority of schools are private and the availability of money for professional qualifications is even more restricted. As regards adult education, vocational training centers, which provide the majority of such services, are not required to provide teachers with opportunities for further training.

Policy Goal 9: Enhancing Evidence-Based Accountability for Results

Systematic monitoring and evaluation of service delivery are important for both quality assurance and system improvement. Accomplishing this function requires gathering and analyzing data from a variety of sources. The reporting of institution level data enables the relevant authorities to ensure that providers are delivering on expected outcomes. Such data also enable these authorities to identify gaps or challenges in training provision or areas of good practice. Additionally, periodic surveys and evaluations of major programs generate complementary information that can help enhance the relevance and efficiency of the system as a

whole. Policy Goal 9 considers these ideas when assessing the system's arrangements for collecting and using data to focus attention on training outcomes, efficiency and innovation in service delivery.

Bulgaria scores at the Emerging level for Policy Goal 9. All training providers, state and non-state, are required to collect and report basic administrative data, which are occasionally used to assess institutional performance as well as to analyze system-level trends and issues. However, sources of data on labor market outcomes are limited to a few ad-hoc skills-related surveys or evaluations of specific targeted programs. Public access to data is limited.

The Regulation for Implementation of the Law on Public Education and the Law on State Budget set forth requirements for data collection. In compliance with these laws, state and non-state training providers report administrative, financial and graduation data. The schools are also required to update the school strategy on an annual basis. However, the lack of special reporting guidelines and requirements related to the renewal of the school strategy often make those documents incoherent and useless for the strategic steering of school development.

MES maintains and updates the data for public providers in a management information system (MIS), which is currently used for administrative and financial purposes and, occasionally, to assess institutional performance and system level trends. NAVET maintains its own database for non-state training providers for administrative and monitoring purposes. Reporting of indicators, such as job placement rates, earnings of graduates and trainee satisfaction, is uncommon and there are currently no normative requirements to do so. The lack of such indicators makes it difficult to monitor the quality of training programs and assess the overall relevance of the VET system to labor market demand.

The government does not conduct or sponsor systematic skills-related surveys to provide feedback to institutions, prioritize funding allocation, identify good practices or inform the design of policies for improvements in service delivery. However, small scale, ad-hoc surveys are carried out for some projects funded by the HRD-OP and the National Employment Action Plan. Third parties contracted by the government often conduct these surveys. In addition to being used to evaluate the effectiveness of the reviewed programs, in some instances results have been used to inform the implementation of the National Lifelong Learning Strategy and the Updated Employment Promotion Strategy.

Public access to data reported by both public and non-state training providers is limited. Most schools do not publish their annual reports, thus impeding institutional accountability to the broader community. Stakeholders interested in obtaining information for TVET policy analysis from MES can do so only by submitting a request that needs to be approved by the relevant officials. Non-state training providers licensed by NAVET are required to submit annual reports, but do not need to make these reports publicly available. However, NAVET uses this information to inform its assessment of overall training provision and discussion of major gaps and challenges published as part of its annual report. In addition, NAVET's newly developed information system provides online information on licensed service providers at the regional level and on the training courses offered by them. To improve the flow of information and the capacity for data analysis, the government is taking several steps. The Draft Law on Preschool and School Education contains quality assurance provisions designed to improve the reporting of financial data and incentivize cost efficiency at the school level. In addition, a Policy Design, Evaluation and Analysis Directorate has been established at MES to increase the capacity for data analysis and evidence-based policy development (see box 5).

Box 5: Policy Design, Evaluation and Analysis Directorate

According to article 40 of the Organizational Statute of the Ministry of Education, Youth and Science a new “Policy Development, Analysis and Evaluation” Directorate has been established as an integrated part of the MES, with specific responsibilities and functions, as well as the ability to respond to policy issues with data-based analyses. This Directorate will (i) support the minister in the development and implementation of state policy related to preschool, school and university education, science and research, and youth; (ii) elaborate concepts, strategies, programs and plans in compliance with national and European practices and the priorities of the national government; and (iii) analyze the effectiveness of the implementation of educational standards and establish the need for upgrading the standards. The Directorate will develop sectoral programs on equal access to education, integration, qualifications and ICT. It is also responsible for ex-ante evaluation of the developed strategies and conducts ex-post analyses of external evaluations, school inspections and the results of program and policy implementation. The Directorate introduces methods for policy evaluation in education, youth and science and produces statistical and financial analyses. Based on its analyses, it suggests measures for improvement, while ensuring compliance with EU policies.

Directions for Policy Development**Strengthening VET quality assurance**

Strengthening of VET quality assurance in the WfD framework is an urgent and vital task. The synchronized adoption of a new Preschool and School Education Law and amendments to the VET Law could guarantee a single concept of quality management in VET. This presents an opportunity to introduce schemes supporting the capacity enhancement of VET schools for the development and effective implementation of internal systems of quality control, so that they can make the best use of web-based platforms for the exchange of good practices in VET provision across the country and abroad.

Actively involving the local area economic committees in educational and training planning

This will ensure a closer alignment between skills supply and demand in line with regional economic and social conditions and prospects. These committees, if well represented by leading firms in the area, are a critical source of labor market intelligence and may provide information that is often not captured by surveys.

Encouraging practical cooperation within the triangle of schools, businesses and the research and development sectors

One possible mechanism is to formalize the role of employers and empower them with executive authority on the boards of training institutions. In Singapore, for instance, a representative from private industry chairs the board of the Institute of Technical Education and the Institute's constituent colleges likewise involve private sector representatives on their boards.

Reviewing the recruitment standards for heads of VET institutions

Recruitment standards for heads of training institutions should include industry experience or significant linkages with the private sector. If heads of VET institutions do not understand the private sector, then linkages between them will be much harder to encourage.

Improving the quality of professional development for VET teachers

Teachers' high initial qualifications and regular training are of vital importance to ensure an effective teaching and learning process. On-the-job trainings and qualification courses, however, need to better address capacity gaps and reflect the needs for capacity building of teachers and be tailored to reflect local and school level circumstances. Promotion of partnerships between schools and regional business entities can contribute to the training of teachers and the development and modification of curricula, and help address human

resource deficiencies in some subjects. Incentivizing teachers' industry exposure and vice-versa, via internships for teachers in industry and encouraging business representatives to lecture in the schools, might also promote better collaboration between the VET institutions and industry.

Creating mechanisms for engaging employers

The involvement of employers in a broad range of aspects related to WfD training needs to be enhanced. Such involvement can be achieved, for example, through (i) incentivizing the establishment of more effective schemes for businesses, such as programs to encourage practical cooperation within the triangle of schools, businesses and the research and development sectors, and (ii) providing opportunities for teachers to gain industry exposure.

Another innovation in this direction would be the creation of a special WfD fund that can be accessed by businesses with a view to addressing market failures that hinder private investment in WfD. For instance, several countries have set up levy-grant schemes, whereby firms contribute to an earmarked fund from which they can claim reimbursement for training investments.

Implementing a WfD monitoring and evaluation system

A key prerequisite of good governance for WfD is the optimal use of M&E mechanisms to support evidence-based WfD policy and to provide the means for quality assurance and accountability. Chile, for instance, has put in place mechanisms to regularly gather and publicly disseminate data on the employment, earnings and reported satisfaction of employers with the graduates they employ, by field and institution type. This information is essential to guide individuals in their training decisions. Bulgaria's recent experience with the launch and maintenance of the Bulgarian Universities Ranking System is an excellent domestic example, which could be used to develop a similar system covering the entire spectrum of WfD service provision.

Annex 1: Acronyms

BIA	Bulgarian Industrial Association
CEDEFOP	European Centre for the Development of Vocational Training
CVET	Continuing Vocational Education and Training
DCI	Data Collection Instrument
EU	European Union
GDP	Gross Domestic Product
HRD-OP	Human Resources Development Operational Program
ICT	Information and Communication Technology
IVET	Initial Vocational Education and Training
M&E	Monitoring and Evaluation
MES	Ministry of Education and Science
MLSP	Ministry of Labor and Social Policy
NAVET	National Agency for Vocational Education and Training
NQF	National Qualifications Framework
OJT	On the Job Training
PIAAC	Program for International Assessment of Adult Competencies
PISA	Program for International Student Assessment
SABER	Systems Approach for Better Education Results
TVET	Technical and Vocational Education and Training
VET	Vocational Education and Training
WfD	Workforce Development

Annex 2: The SABER-WfD Analytical Framework

Policy Goal		Policy Action	Topic in DCI 2.5 FINAL	
G1	Setting a Strategic Direction	Provide sustained advocacy for WfD at the top leadership level	G1_T1	Advocacy for WfD to Support Economic Development
			G1_T2	Strategic Focus and Decisions by the WfD Champions
G2	Fostering a Demand-Led Approach	Establish clarity on the demand for skills and areas of critical constraint	G2_T1	Overall Assessment of Economic Prospects and Skills Implications
			G2_T2	Critical Skills Constraints in Priority Economic Sectors
		Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	G2_T3	Role of Employers and Industry
			G2_T4	Skills-Upgrading Incentives for Employers
			G2_T5	Monitoring of the Incentive Programs
G3	Strengthening Critical Coordination	Formalize key WfD roles for coordinated action on strategic priorities	G3_T1	Roles of Government Ministries and Agencies
			G3_T2	Roles of Non-Government WfD Stakeholders
			G3_T3	Coordination for the Implementation of Strategic WfD Measures
G4	Ensuring Efficiency and Equity in Funding	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	G4_T1	Overview of Funding for WfD
			G4_T2	Recurrent Funding for Initial Vocational Education and Training (IVET)
			G4_T3	Recurrent Funding for Continuing Vocational Education and Training Programs (CVET)
			G4_T4	Recurrent Funding for Training-related Active Labor Market Programs (ALMPs)
		Monitor and enhance equity in funding for training	G4_T5	Equity in Funding for Training Programs
		Facilitate sustained partnerships between training institutions and employers	G4_T6	Partnerships between Training Providers and Employers
G5	Assuring Relevant and Reliable Standards	Broaden the scope of competency standards as a basis for developing qualifications frameworks	G5_T1	Competency Standards and National Qualifications Frameworks
			G5_T2	Competency Standards for Major Occupations
			G5_T3	Occupational Skills Testing
		Establish protocols for assuring the credibility of skills testing and certification	G5_T4	Skills Testing and Certification
			G5_T5	Skills Testing for Major Occupations
			G5_T6	Government Oversight of Accreditation
		Develop and enforce accreditation standards for maintaining the quality of training provision	G5_T7	Establishment of Accreditation Standards
			G5_T8	Accreditation Requirements and Enforcement of Accreditation Standards
			G5_T9	Incentives and Support for Accreditation
G6	Diversifying Pathways for Skills Acquisition	Promote educational progression and permeability through multiple pathways, including for TVET students	G6_T1	Learning Pathways
			G6_T2	Public Perception of Pathways for TVET
		Facilitate life-long learning through articulation of skills certification and recognition of prior learning	G6_T3	Articulation of Skills Certification
			G6_T4	Recognition of Prior Learning
		Provide support services for skills acquisition by workers, job-seekers and the disadvantaged	G6_T5	Support for Further Occupational and Career Development
			G6_T6	Training-related Provision of Services for the Disadvantaged
G7	Enabling Diversity and Excellence in Training Provision	Encourage and regulate non-state provision of training	G7_T1	Scope and Formality of Non-State Training Provision
			G7_T2	Incentives for Non-State Providers
			G7_T3	Quality Assurance of Non-State Training Provision
			G7_T4	Review of Policies towards Non-State Training Provision
		Combine incentives and autonomy in the management of public training institutions	G7_T5	Targets and Incentives for Public Training Institutions
			G7_T6	Autonomy and Accountability of Public Training Institutions
			G7_T7	Introduction and Closure of Public Training Programs
G8	Fostering Relevance in Public Training Programs	Integrate industry and expert input into the design and delivery of public training programs	G8_T1	Links between Training Institutions and Industry
			G8_T2	Industry Role in the Design of Program Curricula
			G8_T3	Industry Role in the Specification of Facility Standards
			G8_T4	Links between Training and Research Institutions
		Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	G8_T5	Recruitment and In-Service Training of Heads of Public Training Institutions
			G8_T6	Recruitment and In-Service Training of Instructors of Public Training Institutions
G9	Enhancing Evidence-based Accountability for Results	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	G9_T1	Administrative Data from Training Providers
			G9_T2	Survey and Other Data
			G9_T3	Use of Data to Monitor and Improve Program and System Performance

Annex 3: Rubrics for Scoring the SABER-WfD Data

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G1: Setting a Strategic Direction for WfD	Visible champions for WfD are either absent or take no specific action to advance strategic WfD priorities.	Some visible champions provide ad-hoc advocacy for WfD and have acted on few interventions to advance strategic WfD priorities; no arrangements exist to monitor and review implementation progress.	Government leaders exercise sustained advocacy for WfD with occasional, ad-hoc participation from non-government leaders ; their advocacy focuses on selected industries or economic sectors and manifests itself through a range of specific interventions; implementation progress is monitored, albeit through ad-hoc reviews.	Both government and non-government leaders exercise sustained advocacy for WfD, and rely on routine, institutionalized processes to collaborate on well-integrated interventions to advance a strategic, economy-wide WfD policy agenda; implementation progress is monitored and reviewed through routine, institutionalized processes.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G2: Fostering a Demand-Led Approach to WfD	There is no assessment of the country's economic prospects and their implications for skills; industry and employers have a limited or no role in defining strategic WfD priorities and receive limited support from the government for skills upgrading.	Some ad-hoc assessments exist on the country's economic prospects and their implications for skills; some measures are taken to address critical skills constraints (e.g., incentives for skills upgrading by employers); the government makes limited efforts to engage employers as strategic partners in WfD.	Routine assessments based on multiple data sources exist on the country's economic prospects and their implications for skills; a wide range of measures with broad coverage are taken to address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentive schemes that are reviewed and adjusted .	A rich array of routine and robust assessments by multiple stakeholders exists on the country's economic prospects and their implications for skills; the information provides a basis for a wide range of measures with broad coverage that address critical skills constraints; the government recognizes employers as strategic partners in WfD, formalizes their role, and provides support for skills upgrading through incentives, including some form of a levy-grant scheme , that are systematically reviewed for impact and adjusted accordingly.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G3: Strengthening Critical Coordination for Implementation	<p>Industry/employers have a limited or no role in defining strategic WFD priorities; the government either provides no incentives to encourage skills upgrading by employers or conducts no reviews of such incentive programs.</p>	<p>Industry/employers help define WFD priorities on an ad-hoc basis and make limited contributions to address skills implications of major policy/investment decisions; the government provides some incentives for skills upgrading for formal and informal sector employers; if a levy-grant scheme exists its coverage is limited; incentive programs are not systematically reviewed for impact.</p>	<p>Industry/employers help define WFD priorities on a routine basis and make some contributions in selected areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with broad coverage of formal sector employers exists; incentive programs are systematically reviewed and adjusted; an annual report on the levy-grant scheme is published with a time lag.</p>	<p>Industry/employers help define WFD priorities on a routine basis and make significant contributions in multiple areas to address the skills implications of major policy/investment decisions; the government provides a range of incentives for skills upgrading for all employers; a levy-grant scheme with comprehensive coverage of formal sector employers exists; incentive programs to encourage skills upgrading are systematically reviewed for impact on skills and productivity and are adjusted accordingly; annual report on the levy-grant scheme is published in a timely fashion.</p>

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G4: Ensuring Efficiency and Equity in Funding	<p>The government funds IVET, CVET and ALMPs (but not OJT in SMEs) based on ad-hoc budgeting processes, but takes no action to facilitate formal partnerships between training providers and employers; the impact of funding on the beneficiaries of training programs has not been recently reviewed.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET and CVET follows routine budgeting processes involving only government officials with allocations determined largely by the previous year's budget; funding for ALMPs is decided by government officials on an ad-hoc basis and targets select population groups through various channels; the government takes some action to facilitate formal partnerships between individual training providers and employers; recent reviews considered the impact of funding on only training-related indicators (e.g. enrollment, completion), which stimulated dialogue among some WfD stakeholders.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on multiple criteria, including evidence of program effectiveness; recurrent funding for CVET relies on formal processes with input from key stakeholders and annual reporting with a lag; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact but follow-up is limited; the government takes action to facilitate formal partnerships between training providers and employers at multiple levels (institutional and systemic); recent reviews considered the impact of funding on both training-related indicators and labor market outcomes; the reviews stimulated dialogue among WfD stakeholders and some recommendations were implemented.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is routine and based on comprehensive criteria, including evidence of program effectiveness, that are routinely reviewed and adjusted; recurrent funding for CVET relies on formal processes with input from key stakeholders and timely annual reporting; funding for ALMPs is determined through a systematic process with input from key stakeholders; ALMPs target diverse population groups through various channels and are reviewed for impact and adjusted accordingly; the government takes action to facilitate formal partnerships between training providers and employers at all levels (institutional and systemic); recent reviews considered the impact of funding on a full range of training-related indicators and labor market outcomes; the reviews stimulated broad-based dialogue among WfD stakeholders and key recommendations were implemented.</p>

Functional Dimension 2: System Oversight				
Level of Development				
Policy Goal	Latent	Emerging	Established	Advanced
G5: Assuring Relevant and Reliable Standards	<p>Policy dialogue on competency standards and/or the NQF occurs on an ad-hoc basis with limited engagement of key stakeholders; competency standards have not been defined; skills testing for major occupations is mainly theory-based and certificates awarded are recognized by public sector employers only and have little impact on employment and earnings; no system is in place to establish accreditation standards.</p>	<p>A few stakeholders engage in policy dialogue on competency standards and/or the NQF; competency standards exist for a few occupations and are used by some training providers in their programs; skills testing is competency-based for a few occupations but for the most part is mainly theory-based; certificates are recognized by public and some private sector employers but have little impact on employment and earnings; the accreditation of training providers is supervised by a dedicated office in the relevant ministry; private providers are required to be accredited, however accreditation standards are not consistently publicized or enforced; providers are offered some incentives to seek and retain accreditation.</p>	<p>Numerous stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by some training providers in their programs; the NQF, if in place, covers some occupations and a range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical and practical skills; certificates are recognized by both public and private sector employers and may impact employment and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards with stakeholder input; standards are reviewed on an ad-hoc basis and are publicized or enforced to some extent; all providers receiving public funding must be accredited; providers are offered incentives and limited support to seek and retain accreditation.</p>	<p>All key stakeholders engage in policy dialogue on competency standards and/or the NQF through institutionalized processes; competency standards exist for most occupations and are used by training providers in their programs; the NQF, if in place, covers most occupations and a wide range of skill levels; skills testing for most occupations follows standard procedures, is competency-based and assesses both theoretical knowledge and practical skills; robust protocols, including random audits, ensure the credibility of certification; certificates are valued by most employers and consistently improve employment prospects and earnings; the accreditation of training providers is supervised by a dedicated agency in the relevant ministry; the agency is responsible for defining accreditation standards in consultation with stakeholders; standards are reviewed following established protocols and are publicized and routinely enforced; all training providers are required as well as offered incentives and support to seek and retain accreditation.</p>

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G6: Diversifying Pathways for Skills Acquisition	<p>Students in technical and vocational education have few or no options for further formal skills acquisition beyond the secondary level and the government takes no action to improve public perception of TVET; certificates for technical and vocational programs are not recognized in the NQF; qualifications certified by non-Education ministries are not recognized by formal programs under the Ministry of Education; recognition of prior learning receives limited attention; the government provides practically no support for further occupational and career development, or training programs for disadvantaged populations.</p>	<p>Students in technical and vocational education can only progress to vocationally-oriented, non-university programs; the government takes limited action to improve public perception of TVET (e.g. diversifying learning pathways); some certificates for technical and vocational programs are recognized in the NQF; few qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education; policymakers pay some attention to the recognition of prior learning and provide the public with some information on the subject; the government offers limited services for further occupational and career development through stand-alone local service centers that are not integrated into a system; training programs for disadvantaged populations receive ad-hoc support.</p>	<p>Students in technical and vocational education can progress to vocationally-oriented programs, including at the university level; the government takes some action to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality) and reviews the impact of such efforts on an ad-hoc basis; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education, albeit without the granting of credits; policymakers give some attention to the recognition of prior learning and provide the public with some information on the subject; a formal association of stakeholders provides dedicated attention to adult learning issues; the government offers limited services for further occupational and career development, which are available through an integrated network of centers; training programs for disadvantaged populations receive systematic support and are reviewed for impact on an ad-hoc basis.</p>	<p>Students in technical and vocational education can progress to academically or vocationally-oriented programs, including at the university level; the government takes coherent action on multiple fronts to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality and relevance, with the support of a media campaign) and routinely reviews and adjusts such efforts to maximize their impact; most certificates for technical and vocational programs are recognized in the NQF; a large number of qualifications certified by non-Education ministries are recognized and granted credits by formal programs under the Ministry of Education; policymakers give sustained attention to the recognition of prior learning and provide the public with comprehensive information on the subject; a national organization of stakeholders provides dedicated attention to adult learning issues; the government offers a comprehensive menu of services for further occupational and career development, including online resources, which are available through an integrated network of centers; training programs for disadvantaged populations receive systematic support with multi-year budgets and are routinely reviewed for impact and adjusted accordingly.</p>

Functional Dimension 3: Service Delivery				
Level of Development				
Policy Goal	Latent	Emerging	Established	Advanced
G7: Enabling Diversity and Excellence in Training Provision	<p>There is no diversity of training provision as the system is largely comprised of public providers with limited or no autonomy; training provision is not informed by formal assessment, stakeholder input or performance targets.</p>	<p>There is some diversity in training provision; non-state providers operate with limited government incentives, and governance over registration, licensing and quality assurance; public training is provided by institutions with some autonomy and informed by some assessment of implementation constraints, stakeholder input and basic targets.</p>	<p>There is diversity in training provision; non-state training providers, some registered and licensed, operate within a range of government incentives, systematic quality assurance measures and routine reviews of government policies toward non-state training providers; public providers, mostly governed by management boards, have some autonomy; training provision is informed by formal analysis of implementation constraints, stakeholder input and basic targets; lagging providers receive support and exemplary institutions are rewarded.</p>	<p>There is broad diversity in training provision; non-state training providers, most registered and licensed, operate with comprehensive government incentives, systematic quality assurance measures and routine review and adjustment of government policies toward non-state training providers; public providers, mostly governed by management boards, have significant autonomy; decisions about training provision are time-bound and informed by formal assessment of implementation constraints; stakeholder input and use of a variety of measures to incentivize performance include support, rewards and performance-based funding.</p>

Functional Dimension 3: Service Delivery				
Level of Development				
Policy Goal	Latent	Emerging	Established	Advanced
G8: Fostering Relevance in Public Training Programs	There are few or no attempts to foster relevance in public training programs through encouraging links between training institutions, industry and research institutions or through setting standards for the recruitment and training of heads and instructors in training institutions.	Relevance of public training is enhanced through informal links between some training institutions, industry and research institutions, including input into the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic standards and have limited opportunities for professional development.	Relevance of public training is enhanced through formal links between some training institutions, industry and research institutions, leading to collaboration in several areas including but not limited to the design of curricula and facility standards; heads and instructors are recruited on the basis of minimum academic and professional standards and have regular access to opportunities for professional development.	Relevance of public training is enhanced through formal links between most training institutions, industry and research institutions, leading to significant collaboration in a wide range of areas; heads and instructors are recruited on the basis of minimum academic and professional standards and have regular access to diverse opportunities for professional development, including industry attachments for instructors.

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List of informants

This report is drafted predominantly based on documentary evidence, interviews and study visits carried out in vocational schools in Bulgaria. In addition the feedback from participants in the validation workshop contributed to further explanations and an outline of priority areas for intervention.

The following experts and representatives of key stakeholders were interviewed to gather additional information and clarifications. Their contribution is gratefully acknowledged.

1. Mrs. Emiliana Dimitrova, Director of the Policy Designing, Analyses and Evaluation Directorate at the Ministry of Education Youth and Science
2. Mrs. Emilia Valchovska, chief of the Vocational Education department at the Educational Programs and Curricula Directorate, Ministry of Education Youth and Science
3. Mrs. Svetla Nikolova, Director of Professional Qualification and Licensing Directorate, the National Agency for Vocational Education and Training
4. Mrs. Stefka Limanska, chief of department at the Labour Market Policy Directorate, the MLSP
5. Mr. Ivaylo Naydenov, senior expert in the Labour Market Policy Directorate, the MLSP
6. Mrs. Daniela Simidchieva, Vocational Training Program Director at the Center for Vocational Education of the Bulgarian Industrial Association
7. Mrs. Elena Shishmanova, expert in Vocational Training Program Director at the Center for Vocational Education of the Bulgarian Industrial Association
8. Mr. Ivaylo Ignatov, Director of the Euroqualification Center at the Unit of Private Bulgarian Entrepreneurs “Vazrazhdane”
9. Mrs. Genoveva Bakardzhieva, The Bulgarian Human Resources Management and Development Association - BHRMDA
10. Mrs. Margarita Damyanova, Director of the Business Services Directorate, the Bulgarian Chamber of Commerce and Industry
11. Mrs. Dora Ganeva, Director General of the Directorate General "Employment Services", the Employment Agency
12. Mrs. Zornitsa Assenova, Assitant-Principial of Professional Gymnasium of Fashion “Maria Luisa”
13. Mrs. Bistra Vatsova, Principal of Professional Gymnasium of Economics - Shumen

Information in this report cannot be attributed to the professionals interviewed or workshop participants. The principal investigators are responsible for all processed data and summarized outcomes and interpretations of information.

Annex 5: SABER-WfD Scores

		Policy Goal		Policy Action		Topic	
Dimension 1	2.8	G1	3.0	Provide sustained advocacy for WfD at the top leadership level	3.0	G1_T1	3
						G1_T2	3
		G2	2.4	Establish clarity on the demand for skills and areas of critical constraint	2.0	G2_T1	2
						G2_T2	2
				Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	2.7	G2_T3	3
						G2_T4	2
						G2_T5	3
		G3	3.0	Formalize key WfD roles for coordinated action on strategic priorities	3.0	G3_T1	3
						G3_T2	3
						G3_T3	3
Dimension 2	2.4	G4	2.0	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	2.7	G4_T1	info
						G4_T2	2
						G4_T3	3
						G4_T4	3
				Monitor and enhance equity in funding for training	1.3	G4_T5_IVET	1
						G4_T5_CVET	1
		G4_T5_ALMP	2				
		Facilitate sustained partnerships between training institutions and employers	2.0	G4_T6	2		
		G5	2.9	Broaden the scope of competency standards as a basis for developing qualifications frameworks	3.0	G5_T1	3
						G5_T2	3
				Establish protocols for assuring the credibility of skills testing and certification	3.0	G5_T3	3
						G5_T4	3
						G5_T5	3
				Develop and enforce accreditation standards for maintaining the quality of training provision	2.7	G5_T6	info
						G5_T7	3
						G5_T8	3
						G5_T9	2
		G6	2.3	Promote educational progression and permeability through multiple pathways, including for TVET students	2.5	G6_T1	4
						G6_T2	1
				Strengthen the system for skills certification and recognition	2.0	G6_T3	2
G6_T4	2						
Enhance support for skills acquisition by workers, job-seekers and the disadvantaged	2.5			G6_T5	2		
				G6_T6	3		
Dimension 3	2.2	G7	2.1	Encourage and regulate non-state provision of training	2.3	G7_T1	3
						G7_T2	2
						G7_T3	3
						G7_T4	1
				Combine incentives and autonomy in the management of public training institutions	1.8	G7_T5	1
						G7_T6	2.5
						G7_T7	2
		G8	2.5	Integrate industry and expert input into the design and delivery of public training programs	2.5	G8_T1	3
						G8_T2	3
						G8_T3	3
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	2.5	G8_T4	1
						G8_T5	3
		G9	2.0	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	2.0	G8_T6	2
						G9_T1	3
G9_T2	1						
						G9_T3	2

Annex 6: Validation Workshop Report

This section presents a brief report on the stakeholders' workshop on implementation of SABER-Workforce Development in Bulgaria, organized in cooperation between the teams of the World Bank, Open Society Institute (OSI) – Sofia and the MES. The seminar was held on October 29, 2012 and hosted by the secretary general of the Ministry of Education, Youth and Science.

Goals

The main objective of the workshop was to present and validate the SABER-WfD analytical approach, the initial findings from its pilot application in Bulgaria, and the experience and outcomes from SABER-WfD implementation in other countries.

Participants

The event was attended by 30 professionals from 3 ministries, 2 agencies, local administrations, trade unions, employers and employers' associations, schools and NGOs, operating in different strands of workforce development and VET – IVET, CVET, human resources, economic development and the labor market.

Description

After the official opening and welcome address of the MES secretary general Krassimir Valchev, the World Bank's SABER-WfD team leader Jee-Peng Tan made a presentation on the System Assessment and Benchmarking for Education Results (SABER) and its philosophy, analytical framework, approach and tools. She underlined the SABER-WfD goals of supporting policy dialogue in this critical area and provided highlights and relevant lessons learnt from SABER-WfD implementation in four countries: Ireland, Chile, Korea and Singapore.

After the OSI team's presentation on the context of WfD and the preliminary results of the application of SABER-WfD tools in Bulgaria, participants continued the discussions in three small groups so that the SABER-WfD approach could be examined in greater detail. Each small group was provided with hand-outs of the graphical representation of the Policy Goal scores, summary results presentation and decision tree as guiding instruments for group discussions. The participants went through the preliminary findings for Bulgaria of the three SABER-WfD Functional Dimensions: Strategic Framework; System Oversight and Service Delivery. At the final plenary discussion, the three small groups presented their major conclusions and suggested the key priority areas of intervention for the country's workforce development.

Main outcomes and conclusions

The presentations on the preliminary SABER-WfD findings were positively received and their added value for furthering WfD policy dialogue in Bulgaria was acknowledged by participants in the plenary discussion after the WB and OSI teams' presentations.

All in all, the SABER-WfD framework and instruments were highly appraised by participants as necessary, timely, relevant and adequate for the Bulgarian context, and only small changes in the terminology used in regard to state and public education were recommended for further consideration.

The initial outcomes, as presented, also received positive feedback. Participants largely agreed on the correctness of most scores, the country's level in the three Dimensions, and the areas for policy actions. However, some suggestions were made for slightly lower scores for Strategic Framework and System Oversight.

The participants endorsed the most obvious problems that were identified and made recommendations for deeper analyses of the underlying factors for the existing national VET and labor market policy and the status quo of workforce development. Participants also identified the main challenges in developing and implementing the legal framework for the management and monitoring system, putting in place the necessary mechanisms and increasing the quality of service provision for workforce development. These challenges, which require further reflection in the process of preparing the Bulgarian Barometer Report, to be presented for consideration by the Bulgarian government (particularly MES), include:

- The need for better and more effective and accountable coordination at the national level;
- The lack of public incentives for cooperation between training providers and businesses;
- Policy making and accountability for results at regional and local levels;
- Increased accessibility of services for vulnerable groups; and
- The need for in-depth analyses of the links between VET and the whole formal education system.

Based on the analysis, the participating experts formulated the strategic priorities and directions for workforce development and outlined specific opportunities for the improvement of policies and measures in the following areas:

Leading Priority:

1. Strategic Focus.

Second wave key priorities:

2. Enhanced dialogue between the institutions and the social partners;
3. Improved Information management;
4. Building mechanisms for employers' involvement in the development of new standards – incl. entrepreneurs beyond the employers' associations;
5. Development of an incentives system for all participants in WfD to achieve excellent results;
6. Quality management.

Other key priorities:

7. Teachers' qualifications;
8. Curricula tailored to the needs of the labor market.

Bearing in mind that the SABER outputs are coming amid the substantial educational reforms – both in mainstream and vocational education – the participants underlined the relevance of the SABER results to the work on the new draft laws on preschool and school education and on vocational education and training.

Annex 7: Structure of the Bulgarian Education System

<p style="text-align: center;">0</p> <p style="text-align: center;">Pre-Primary</p> <p style="text-align: center;">235,015 children</p>											
<p style="text-align: center;">1</p> <p style="text-align: center;">Basic Education, Stage 1</p> <p style="text-align: center;">Grades 1-4</p> <p style="text-align: center;">253,675 students</p>											
<p style="text-align: center;">2A Basic Education, Stage 2</p>											
<p>General</p> <p>Grades 5-8</p> <p>Duration: 4 years</p> <p>221,839 students</p>	<p>Vocational, Level I</p> <p>After grades 6 or 7</p> <p>Duration: 3 years</p> <p>1,979 students</p>										
<p style="text-align: center;">3A Upper Secondary (Total 273, 498 students)</p>											
<p>General</p> <p>(Incl. VIII grade of foreign languages secondary schools and other specialized secondary schools with selection after VII grade.)</p> <p>Duration: 4 Years</p> <p>135,013 students</p>	<p>Vocational</p> <table border="1"> <tr> <td>Level II</td> <td>Level III</td> </tr> <tr> <td>Duration: 4-5 years</td> <td>Duration: 4-5 years</td> </tr> <tr> <td>35,469 students</td> <td>95,443 students</td> </tr> <tr> <td></td> <td>Arts and sports schools, Duration: 4-5 years</td> </tr> <tr> <td></td> <td>6,450 students</td> </tr> </table>	Level II	Level III	Duration: 4-5 years	Duration: 4-5 years	35,469 students	95,443 students		Arts and sports schools, Duration: 4-5 years		6,450 students
Level II	Level III										
Duration: 4-5 years	Duration: 4-5 years										
35,469 students	95,443 students										
	Arts and sports schools, Duration: 4-5 years										
	6,450 students										
<p style="text-align: center;">4C Post-Secondary Non-Tertiary (Level IV, Duration: 2 years)</p> <p style="text-align: center;">2,381 students</p>											
<p style="text-align: center;">5A & 5B - Tertiary Education</p> <p style="text-align: center;">278,588 students</p>											
<p style="text-align: center;">3C Upper Secondary</p>											
<p>Vocational</p> <p>Level I</p> <p>Duration: 2 years</p> <p>1,011 students</p>											

Annex 8: Authorship and Acknowledgements

This report is the product of collaboration between a team of the World Bank comprising Plamen Danchev (Education Specialist, Human Development Sector, ECA Region, Bulgaria Country Office), Omar Arias (Sector Manager and Lead Economist, Human Development Economics, ECA Region), Jee-Peng Tan and Ryan Flynn, leader and member, respectively, of the SABER-WfD team based in the Education Department of the Human Development Network of the World Bank and Ilko Jordanov (Consultant, Expert Analyses Consulting Group) who served as principal investigator and led data collection through examining documentary evidence and extensive interviews with stakeholders. The report was prepared under the World Bank Activation and Skills Programmatic Knowledge Service for the Central European and the Baltic countries under the supervision of Omar Arias until September 2013, and of Alessandra Marini after that date.

The research team acknowledges the support of all who have contributed to the report and its findings, including informants, survey respondents, representatives of the Government and government agencies in Bulgaria, participants at various consultation workshops, as well as other members of the SABER-WfD team at the World Bank: Rita Costa, Viviana Gomez, Rijak Grover, Kiong Hock Lee, Joy Yoo-Jeung Nam, Brent Parton and Alexandria Valerio. The research team gratefully acknowledges the generous financial support of the Government of the United Kingdom through its Department of International Development's Partnership for Education Development with the World Bank which makes it possible for HDNED's SABER-WfD team to provide technical support to the principal investigator in the form of standardized tools for and guidance on data collection, analysis and reporting.

The **Systems Approach for Better Education Results (SABER)** initiative produces comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems. SABER evaluates the quality of education policies against evidence-based global standards, using new diagnostic tools and detailed policy data. The SABER country reports give all parties with a stake in educational results—from administrators, teachers, and parents to policymakers and business people—an accessible, objective snapshot showing how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of Workforce Development

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