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## **DISPARITIES IN EDUCATION AND THEIR IMPACT ON THE LABOR MARKET IN BULGARIA**

The on-going discussion of the disparities, incl. of those in education, are presented. The interconnections between education and the labor market are outlined. The development of the main indicators on the labor market, such as the labor force, employment, unemployment, persons outside of the labor market, are tracked based on the different levels of education for the period 2008-2017 and, on that basis, education is identified as a basic factor for successful labor integration. The analysis of the dynamic and structure of the market indicators allows for the highlighting of the positive and negative tendencies in the development of the disparities on the labor market, which stem from the educational characteristics of the labor force. Particular attention is paid to the assessments of key parameters of the National Development program: Bulgaria 2020 in the European context, underlining the fact that some indicators develop contrary to the expectations, while in the case of others – the difference in comparison to the average European levels remains large. In the context of the evidenced tendencies with regard to the fulfillment of the objectives of the Strategy 2020, an attempt is made to assess the conducted policies and especially the ones, which are aimed at encouraging labor integration through training and qualification; policies that have no alternative and are aimed at decreasing the social disparities and at the inclusion of risk groups in labor activity and at sustainable employment as a way to improve the standard of living.

JEL: J11; J13; J61

Keywords: education; labor market; disparities; policies

The on-going changes in Bulgaria over the last thirty years significantly altered the economic and social environment, in which the stereotypes about Bulgarians are formed with regard to education and its role in the value system of the individuals, families and of society as a whole. The disparities in the access to education, and to quality education in particular, and the formation of new stereotypes are of chief significance for the subsequent labor realization and for the quality of life.

The main *thesis of the present study is that, accepting* that disparities are an inevitable companion of socio-economic development in the market place, their increase under the current conditions has a negative impact over the overall societal and economic development and over the labor market in particular. That is why *decreasing their dynamic needs to be regarded as a necessary condition for social progress and an indicator of sound governance.*

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*The goal of the study* is solely focused on the disparities, which are increasing present in our society, with regards to the access to education in general and to “quality” education in particular; another goal is to identify their reflection over the quality of the labor force as an important prerequisite for its labor realization. Given this focused goal, a series of other problems with the educational system in the country and with the educational level of the labor force remain outside scope of the present study, which does not diminish their significance and relevance to the present development of society.

The indicators that have been used to assess the growing disparities in employment and social development include ones relating to the educational level of the labor force in the EU Member States (Employment and Social Developments in Europe, 2018). By tracing the dynamic of the indicators, an assessment is conducted of the direction in which a given sphere develops. By tracing the positioning of our country among the Member States of the European Community, an assessment is conducted of the implemented policies for decreasing the disparities in the access to education, the participation in the labor market, the educational level and employment.

### **A discussion of the disparities in the International, European and national public space**

The disparities are an indivisible part of the market, economic and social environment, but whenever they continuously grow, and hence lead to increased economic and social polarization in society, their increase turns into a barrier before the development of that environment and a source of social conflicts. The discussion of the disparities in the world is ever more lively and is facilitated by a number of renowned scientists (Nobel laureates Paul Krugman, 2013, 2009 Joseph Stiglitz “The Price of Inequality”, Thomas Piketty “The Capital of the 21<sup>st</sup> Century”), the World Economic Forum (Davos, January 2018) and the World Inequality Report (2018), as well as a number of scientific studies (“Pathology of Inequality” by Richard Wilkinson and Kate Pickett, 2014).

In the European context, the data indicate that in 2008 the disparity between the incomes of the richest and the poorest 20% of the population is 6.5 times. In 2017 the disparity increases to 8.2 times, which is the most significant increase within the Union since its establishment. The average disparity in the European Union is 5.2 times (the data for most countries are for 2016). The lowest level of disparity is registered by the Czech Republic – merely 3.5 times. Slovenia, Slovakia and Finland share the second position with a very similar value of the indicator (3.5 times). Latvia achieves the largest decrease in disparities – 6.3 times (as the coefficient in 2008 was 7.3).

At the national level, the debates on this topic are facilitated both by our scientific community and the non-governmental sector and by the political and economic ruling elite. There are numerous in-depth studies, which provide a comprehensive analysis of existing problems with the access to the educational

system and the tendencies in their development (Annual Report of the ERI at BAS, 2017; IME 2013, 2016). The Economic report for the President of the Republic of Bulgaria ("Bulgaria: Social Challenges and Euro Integration", 2007) and the roundtable discussion conducted under the patronage of the President of the Republic of Bulgaria ("Inequalities and Poverty in Bulgaria", 2018), as well as a series of publications and expert debates indicate that the scientific community actively participates in this discussion, analyzes the national specificity of the problems and aims to implement adequate policies for impacting the disparities.

Outlining of the severity of the current disparities in education and their impact on the labor market is a solid basis for rethinking the currently implemented national policies aimed at identifying ways to decrease them.

### **Education and the labor market**

The World Development Report 2018 indicates that education is a powerful driving force of development and one of the most powerful instruments for decreasing poverty and ensuring equal access to education, the equality of women and overall social stability. Noting that there is significant progress in the process of attracting children to the class rooms, the report underlines the fact that 260 million children in the world are still not part of primary and lower secondary education. This report, as well as a series of other studies, underlines the growing significance of education as a factor for achieving a better life, particularly in the conditions of dynamic economic and social change. The acquisition of stable fundamental knowledge and skills by the children is a guarantee that the future labor force will be able to perfect their skills over the course of their entire careers. In that sense, the link between the education system and the labor market is ever tighter. The educational characteristics of the labor force directly relate to the qualitative potential of the labor market. The existence of ever growing disparities, formed on the basis of different characteristics (regional, gender, education, qualification, ethnicity and others), limit the possibilities for its efficient functioning. The fact that children are leaving the school system early is a prerequisite for the growing illiteracy of the labor force, and the reason behind its low functional skills is oftentimes the low quality of education.

These and a series of other problems are signals of problems in the labor market with regard to the supply of an uneducated and insufficiently functional labor force. Outlining the severity of the problems is a step towards identifying possibilities for limiting the negative tendencies (wherever such are registered) and for decreasing the lagging behind in comparison to the average European level (if such is registered).

The significance of the educational qualities of the labor force in the country increases immensely nowadays, when the decreasing labor supply as a result of the harsh demographic process and emigration is ever more clearly pronounced and the shortage of a labor force turns into a restriction of the economic activity of the business and of the opportunities for economic growth. The close link between education and employment is highlighted in a series of studies which underline the

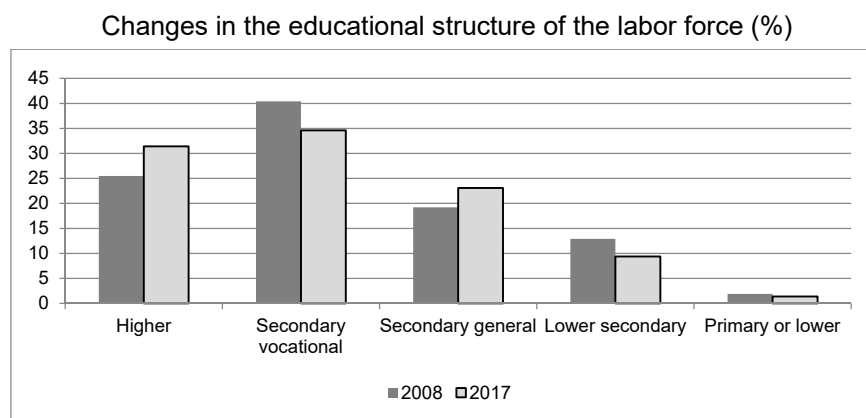
fact that the group of the poor is predominated by people with primary or lower education, as well as by persons with no education (see World Bank and NSI, 2003; IME, 2016). In relation to that, policy issues relating to decreasing illiteracy and encouraging learning, including through lifelong learning, are of great significance, since they contribute to an increase in literacy; the acquiring of skills and qualifications which the labor market demands; and the implementation of policies, which contribute to increasing the suitability of part of the labor force based on the needs of the labor market.

### The basic role of education for successful inclusion in the labor market

The changes in the educational structure of the *labor force* (15 years of age and over) during the period 2008-2017 in Bulgaria is characterized by positive tendencies of increase in the share of persons with higher education and the share of persons with secondary general education, as well as a decrease in the share of persons with primary or lower education.

On the other hand, *within the educational structure of the population, the share of persons with secondary vocational training decreases* (from 58.9% in 2008 to 57.4% in 2017), including *the share of persons with a professional qualification* (from 39.9% in 2008 to 34.4% in 2017). This tendency is confronted by the demand of the labor market, where a growing deficit of a qualified labor force is evidenced; such a deficit is registered in the country during the last four years in a period of economic upturn and sustainable growth (Figure 1).

Figure 1

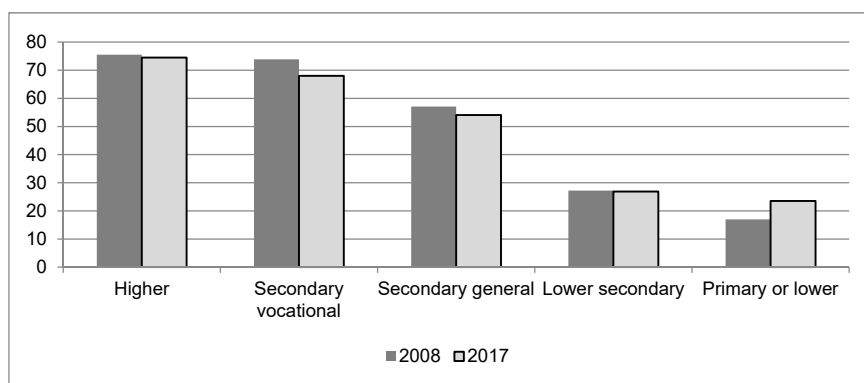


Source. NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

The changes in the coefficient of economic activity indicate an increase at the low levels of the educational scale, i.e. the persons with lower secondary education (Figure 2).

Figure 2

Changes in the coefficient of economic activity of the labor force by educational level (%)



Source. NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

This higher economic activity is stimulated by the growing labor demand, respectively by better opportunities to find work in the conditions of economic upturn, but it may also be stimulated by the more restrictive social assistance policy. Regardless of what it is caused by, the growing activity on the labor market by the persons with the lowest educational levels is a positive tendency, because it draws them out of the “gray area” and “legitimizes” them on the labor market. With regard to the competitiveness by educational status, however, these are people in a very disadvantageous position on the labor market. This disparity is reflected in the high share of unemployed people with low education – 14% for the persons with lower secondary education and 24% for the ones with primary or lower education with the general unemployment level standing at 5.5% during the second quarter of 2018<sup>1</sup>. Hence, according to the education level, the *risk of unemployment amongst the persons with lower education is 3 to 6 times higher*.

The statistical data indicate a decrease in the economic activity of the persons with higher education by 1 p.p. during the analyzed period. This decrease is insignificant and may be the result of both structural mismatches between the supply and demand for highly qualified labor and subjective personal decisions for participation in the supply of labor.

A more alarming trend is the decreasing economic activity of the persons with secondary vocational training, including of the ones with professional training, which illustrates the evidenced lasting professional imbalance on the labor market. The economic activity of the persons with secondary general education decreases from 57.1 to 54.1% in the period 2008-2017. This applies particularly to the youth

<sup>1</sup> NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

(ages 15-24) that participate neither in employment, education or training. Regardless of the fact that their share decreases after the end of the crisis and the beginning of the economic upturn (in 2013), the level of the indicator remains significantly above the average European level (Table 1).

Table 1

Share of youth (ages 15-24), who are neither in employment, education or training

	2013	2014	2015	2016	2017
Bulgaria	21.6	20.2	19.3	18.2	15.3
EU-28	13.0	12.5	12.0	11.6	10.9

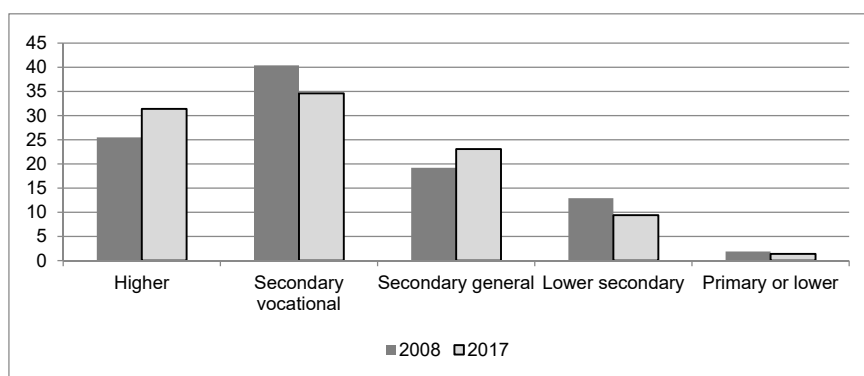
Source. <http://appsso.eurostat.ec.europa.eu/nui/>

The employment level is one of the main social indicators used for analytical purposes when studying labor markets and one of the main indicators for monitoring the implementation of the European Strategy 2020. The target level set by this strategy is 75% (for the age group 20-64) for 2020.

The changes in the educational structure of the employed also indicates a growing share of the persons with higher education and of the persons with secondary general education. There is a negative change, albeit a small one, observed in the share of employed persons with primary or lower education and a more significant decrease in the share of people with lower secondary education (Figure 3).

Figure 3

Changes in employment structure by educational level

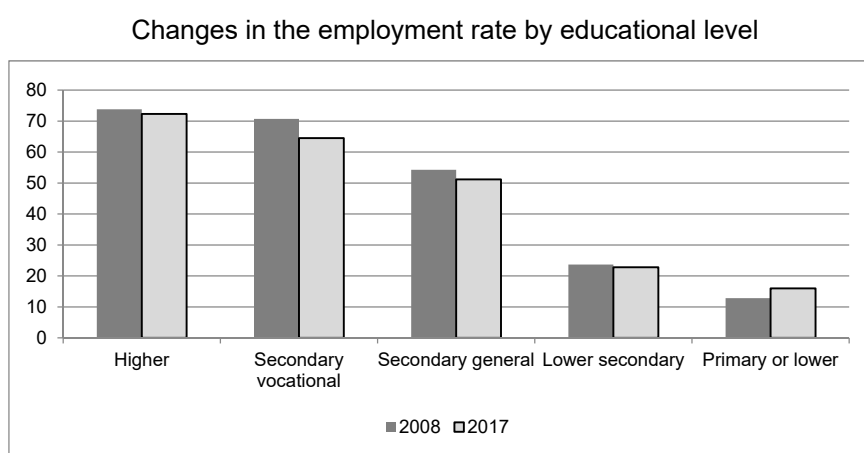


Source. NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

As a whole, the changes in employment for all levels of the educational scale reflects the expansion in labor demand in the phase of progressive economic

development in the economic cycle. On the other hand, it should be pointed out that there are signs of changes, reflected by the slowing down of the increase in labor demand, despite the fact that the business still cites the lack of sufficient labor as a limitation of economic activity (Figure 4).

Figure 4



Source. NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

The dynamic of the employment rate during the period 2008-2017 allows for the formulation of the following conclusions:

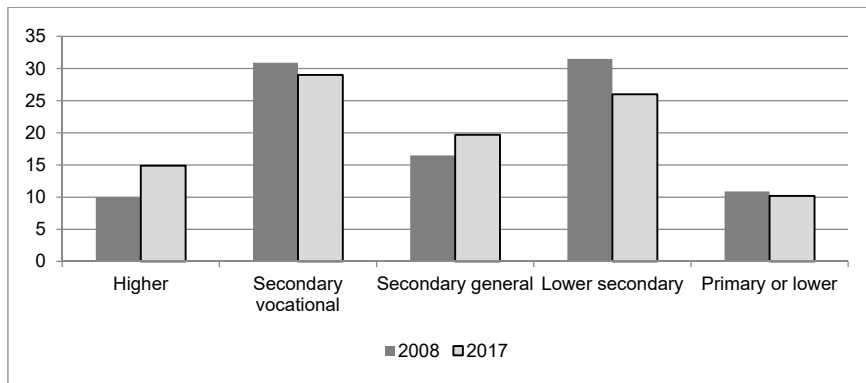
- The labor market has not yet “overheated” and continues to employ the labor force and increase employment of people with higher and secondary general education.
- There are signs of “oversaturation”, reflected by the decrease in the employment rate among persons with secondary and lower secondary education.
- The employment rate continues to increase, even though it does so at a minimal rate, for the persons with primary or lower education.
- The competitiveness of the employment based on educational levels is clearly outlined – among the persons with lower secondary education and the ones with primary or lower education the employment rate is *2 to 3 times lower*. This means that these persons are in an extremely disadvantageous position with regard to their competitiveness on the labor market due to their low education and respectively limited skills.

The changes in the dynamic of the educational structure of the *unemployed* are presented on Figures 5 and 6. They indicate that there are changes in the structure of the unemployed in 2017 – the share of persons with higher education increases to 14.9% (from 10% in 2008), the share of persons with secondary general education increases to 19.7% (from 16.6% in 2008), while the share of persons with lower

secondary, primary and lower education decreases, as does the share of the persons with secondary vocational education, including the ones who have attained a professional qualification.

Figure 5

Changes in the structure of the unemployed by educational level

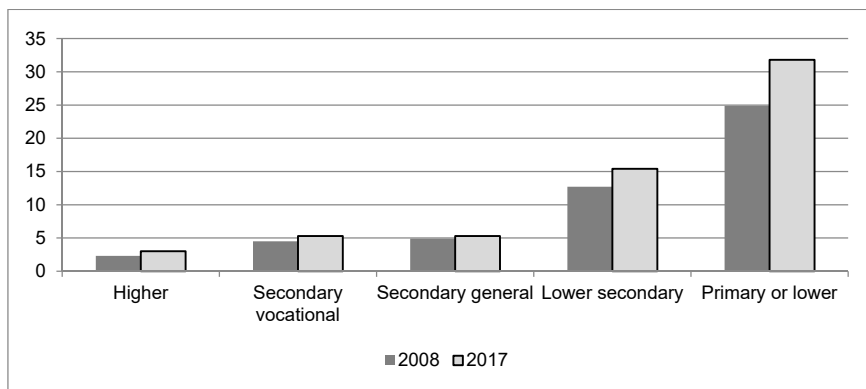


Source. NSI. Demographic and social statistics, Labor market, www.nsi.bg

The changes in the unemployment rate by educational level clearly outline the lack of competitiveness of the uneducated or low-education labor force (Figure 6). In 2017 the unemployed are predominantly persons with *lower secondary education* (15.4%) and ones with *primary or lower education* (31.8%), among which the unemployment level is 3 and 5 times higher than the average for the country (6.2%), respectively.

Figure 6

Changes in the unemployment rate by educational level



Source. NSI. Demographic and social statistics, Labor market, www.nsi.bg

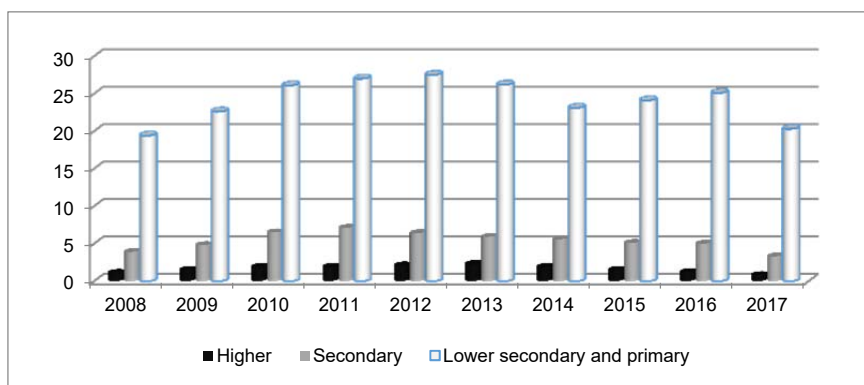


Figure 6 is particularly illustrative of how, as the educational level increases, the opportunities for better positioning of the individuals on the labor market increases, while the risks of labor and social marginalization decrease.

The share of persons within working age who are currently not on the labor market and are not seeking employment remains almost unchanged in 2008 (the year prior to the crisis) and in 2017 (the year of stable development) and it amounts to around 22% of the available labor force. During the crisis period (2009-2013), this share has increased to 30%, which is indicative of a greater dependence of its dynamic on the economic cycle and, to a smaller extend, on the personal motivation of the individuals for inclusion in employment.

Figure 7

Persons, capable of working, but not seeking employment (in %)



Source. NSI. Demographic and social statistics, Labor market, [www.nsi.bg](http://www.nsi.bg)

The profile of the persons within working age who are outside of the labor market indicates that this group is *predominately made up of persons with primary and lower education* – 19.4% in 2008 and 20.3% in 2017, respectively. In view of this stability of the group of persons with lower education outside of the labor market and lacking the desire to seek labor integration/reintegration, the implemented policies for activation of the economically inactive persons with low education have to be rethought with the aim of increasing their efficiency. Besides that, strict adherence to the requirement for mandatory education up to 16 years of age, as regulated by art 53 of the Constitution of the Republic of Bulgaria, should be ensured. In that sense, allowing non-participation in school education is unconstitutional, and the negative effects of this factor on society and the individuals are immense (purely from a financial standpoint society incurs significant expenditures for their social integration, for subsequent trainings, for social assistance, for participation in programs for labor integration, etc.).

In view of the time interval over which the effects from the absence from school or from their low level of education become visible on the labor market, the

accumulated problems with the labor and social integration of this group of the labor force will increase over time. Analogously, in view of the observation that “poverty breeds poverty” it can be argued that “lack of education breeds lack of education”. That is why using radical solutions for discontinuing the opportunity for further non-participation of children in training and the spread of illiteracy is necessary.

### Strategic objectives of Europe 2020 in the field of education and the positioning of Bulgaria on the road to achieving them

The assessment of the degree to which the target educational indicators are met, conducted in the present study, is based on the data, presented in the Annual Monitoring Report of the EC for 2017 (see European Commission, 2017).

The data from the annual monitoring of the educational indicators of the EC indicate *unfavorable tendencies that show a worsening of the values* of the indicator “early leaving from education and training” (ages 18-24), as well as a slow process of closing the gap with the average European level in terms of the indicators for early childhood education and care (until the age of 4); the skills of the children up to 15 years of age in the fields of reading, mathematics and science; the employment level of school graduates (ages 20-34), and adult training (Table 2).

Table 2

Target educational indicators, Bulgaria and EU-28

Indicators	Bulgaria		EU	
	2013	2016	2013	2016
Early leavers from education and training (age 18-24) – in total	12.5	13.8	11.9	10.7
Tertiary educational attainment (age 30-34) – in total	29.4	33.8	37.1	39.1
Early childhood education and care (from age 4 until the starting age of compulsory education)	87.1	89.2	93.9	94.8
Proportion of 15 year olds with underachievement in:				
Reading	39.4	41.5	17.8	19.7
Mathematics	43.8	42.1	22.1	22.2
Science	36.9	37.9	16.6	20.6
Employment rate of recent graduates by educational attainment (age 20-34 having left school 1-3 years before recent)	67.7	72.0	75.4	78.2
Adult participation in learning (age 25-64)	2.0	2.2	10.7	10.8

Source. European Commission, 2017, p. 4.

The assessment of the presented tendencies is summarized in the present report, as follows:

- There is a significant focus on “inclusive” education in Bulgaria, which is reflected by the planned revision of the model for the financing of the schools with the aim of supporting equality and quality (by allocating additional resources towards schools in a vulnerable position).

- The lack of basic skills (according to the criteria set by PISA) is one of the highest in the EU.

- A new approach is applied as a means to overcome the issue of the early leaving of school. The integration of the Roma minority in the educational system remains a challenge as do the segregated Roma schools.

- Steps have been taken to significantly improve the attractiveness of the teaching profession, while the aging of the teaching staff is in the focus of the governing figures.

- The financing of higher education on the basis of achieved results targets the improvement of its quality and of its adequacy with regard to the requirements of the labor market.

Additional specified indicators are the *financing of education – its share in GDP increases from 3.7% (2013) to 4% (2017)* (the average European level is 5% and 4%, respectively) as well as the mobility in education, whose values also remain lower than the European average by 2 to 3 times (for Bachelors and Masters degrees, respectively).

The presented observations from the monitoring report of the EC for 2017 confirm many of the assessments and expectations conducted by experts in the country to a significant extend (Zareva, 2015; Hristov, 2013). A study from 2015 conducted by the ERI at BAS specifies the main areas, in which lagging behind has been evidenced in comparison to the average European level by target indicators, such as: the share of tertiary educational attainment among the persons aged 30-34; the share of students with achievements below the critical threshold in the fields of reading, writing and science, etc. A series of examples from national and international studies are presented, drawing attention to the quality of education and its scope. Also noted are the instable tendencies in the dynamic of the indicator for early leaving from education and training, difficulties in the transition from education to employment, problems with staffing in education and the quality of teaching. Conclusions are drawn that “despite the positive changes with regard to achieving key indicators for the quality of training and lifelong learning, there is substantial lagging behind in meeting the objectives” (Zareva, 2015, p. 126).

The disparities and, more specifically, the income disparities are directly related to the achieved results. According to a study by the OECD from 2015, around 60% of the students (65% in reading, 62.6% in mathematics and 59% in science), who fail to meet the minimal criteria set by PISA, are children from families at the bottom of the socio-economic ladder in terms of quality of life. The shortage of skills in these fields among children with incomes from the highest quartile group compared to those from the lower quartile group is more than 3 times and has a pronounced regional character – a 2.8% difference in the capital cities, a 15.8% difference in the towns and a 30.3% difference in the rural regions. In this context the indicators for Bulgaria are not an exception, however, their values are further worsened by the demographic processes of the decreasing

number of children and the reforms in the educational system, which lead to the foreclosure of schools due to an insufficient number of students. A study of the World Bank for Bulgaria indicates that a main reason for the decrease in the inclusion of the students from grades 1-4 and grades 5-8 is the foreclosure of schools in small settlements (World Bank, 2010, p. 36).

A survey of adult skills (OECD, 2012) identifies the existence of the so-called “low-skills trap”, which is expressed in the fact that persons with lower qualification have a 5 times lower willingness to participate in training in comparison to those with high qualification. This means that 20% of the population aged 16-65 (with a qualification level of 1 or lower) fall within the “low-skills trap” and motivating them to participate in various forms of training to increase their qualification is quite necessary in view of the fact that in actuality lifelong learning produces more benefits – more highly qualified and educated persons. A challenge faced by politicians is the implementation of precisely those policies, which may effectively support these persons to exit the trap.

These and a series of other international and national studies indicate that the links between education and realization on the labor market are sustainable and that poor people in a disadvantageous position are faced with restrictions both with regard to the access to education and with regard to achieving sound/high results in learning and in their professional realization. That is why diverse policies are being developed in order to improve the inclusion of children in childhood education and care through further expansion of the network of kindergartens, increasing the inclusion of children in schools and decreasing the share of school leavers; increasing the quality of training and improvement of the acquisition of basic knowledge and skills (reading, mathematics, science); increasing the quality of higher education and its adaptation to the needs of the labor market; establishment of a flexible system for lifelong learning. These policies need to consolidate the efforts of society for introducing coherent, yet sustainable changes in education, which support a more successful economic development in the country.

### **National policies for decreasing the disparities in the field of education as a prerequisite for the improvement of the competitiveness of the labor market**

#### *Strategic objectives*

The pillars of the national policy for overcoming disparities in education, for inclusion in education and training from an early age and through the entire adult life, and for receiving quality education that corresponds with the requirements of the labor market, comprise the objectives of the national policy, which are presented in the current national strategies and their annual action plans as well as in a series of legal documents. There are a total of 8 strategic documents for each field of education:

- National strategy for the development of scientific research in the Republic Bulgaria 2017-2030;

- Strategy for the educational integration of children and students from ethnic minorities (2015-2020). *Two of its four target objectives focus on a) the complete socialization of children and students from ethnic minorities; b) ensuring equal access to quality education for children and students from ethnic minorities;*

- Strategy for the Effective Application of Information and Communication Technologies in Education and Science in the Republic of Bulgaria 2014-2020;

- National Strategy for the Encouragement and Increase of Literacy (2014-2020).

The achievement of the main objective (“a level of functional literacy, which would ensure possibilities for personal and public development and will support the achievement of smart, inclusive and sustainable economic growth”) also includes policies for increasing the participation and inclusion. One of the instruments for overcoming socio-economic disparity is the provision of social packages for increasing the scope of the pre-school education and preparation, for keeping students in schools, and for childcare provision at an early age.

*The indicative indicators for 2020 include:*

90% of the children between 4 years of age and the age at which they must start attending the first grade are to be included in pre-school education and training.

80% of the children are to be ready for school at the end of compulsory schooling/preparation.

Reaching 80% fulfillment of the state educational requirements for the learning material in Bulgarian language and literature at the first stage, measured via the national external evaluation at the end of grade IV until 2020.

Reaching 65% feasibility of the expected results from training in Bulgarian language and literature, measured via the national external evaluation at the end of grade VII.

Decreased share of 15-year-old students with achievements below the critical threshold set by PISA to 30%.

Reaching 60% feasibility of the expected results from training in Bulgarian language and literature, measured via the state matriculation exams in Bulgarian language and literature.

80% of the adults included in literacy courses and learning the curriculums of lower secondary classes are to have completed their training successfully.

- Strategy for the Development of Vocation Education and Training in the Republic of Bulgaria for the period 2015-2020;

- National strategy for the Development of Pedagogical Staff;

- National Strategy for Lifelong Learning for the period 2014-2020;

- Strategy for Reducing the Share of Early School Leavers (2013-2020).

*The objective is “Ensuring equal access and support for the development and inclusion of the children and the youth in the system of pre-school education and*

*training and in school education as a prerequisite for equal social inclusion and full personal realization and participation in the development of local communities in the country”.*

National objective 4 – “The share of early school leaving is to fall below 11% by 2020” has an important impact on the implementation of other national objectives – mainly in the field of education, employment and the fight against poverty. The increase in the educational level increases the chances of finding employment (National objective 1 – “Reaching 76% employment of population aged 20-64 in 2020), ensures the generation of income (National objective 5 – “Decreasing the number of persons living in poverty by 260 thousand persons by 2020) and is a prerequisite and a necessary condition for enrollment in the next educational level – the International Standardized Classification of Education, and the increase in the number of persons with completed higher education (National objective 4, especially in the part about the share of 30-34 year olds with completed higher education – which is to reach 36% by 2020).

The *National Employment Strategy* and the annual employment action plans should also be added to these national strategies in the field of education; they elaborate sets of programs, aimed at the qualitative development of the labor force through various forms of education, training and qualification. *The National Employment Action Plan 2018* specifies the quality of the labor force and the increase in the employment of disadvantaged groups on the labor market as main elements of the vision of the policy. The disadvantaged groups on the labor market are clearly identified and include the unemployed youth, who are currently neither in education, training or employment, the unemployed persons with no professional qualification, the long-term unemployed, who have lost their professional ability as result of prolonged absence from employment, etc.

The set strategic objectives until 2020 (with the exception of the National Strategy for the Development of Scientific Research, which covers the period until 2030) in the specified documents should already be achieved to a large extent, since the end of 2020 is only two years away. In that sense, the changes in the values of the indicators in a direction that is contrary to the desired one raise questions, such as whether, when setting part of the strategic objectives, there was some overestimation of the opportunities and the existing capacity and whether it is necessary to rethink what are the main levers for impact. Raising these issues requires the opinion and assessment of experts with detailed knowledge of the system and the mechanisms ensuring its functioning.

In some of the specified strategic documents the disparities in the access to education are directly addressed when it comes to: the educational integration of children and students from ethnic minorities; encouraging and increasing literacy; the development of professional education and training; lifelong learning; and decreasing the share of early school leavers. The identification of these disparities makes the policies clearly addressed, but the achievement of visible and irreversible

results is currently made difficult by the fact that these policies do not have a preventive characteristic; they rather address lasting encountered unsound practices of non-participation in education or of school leaving, mismatches between acquired knowledge and skills and the actual needs of the labor market, difficulties in the transition from school towards employment, a low level of participation in forms of lifelong learning, etc.

It should be pointed out that according to a series of studies, the reasons for the negative consequences of education over the labor market stem as much from the educational system as they do from the economic and social problems, caused by the reformation of the public system in the period after 1989. The significant question is whether, at this stage of our development, we clearly understand the roots of the problems and whether we are finding out the right decisions for overcoming them? To a significant extend the answer to this question is positive, but there are also areas, in which more effective mechanisms for impact are still being sought, as follows:

- Firstly, we are talking about mechanisms for ensuring equality in the *access to education* in the conditions of school foreclosures, emigration of the population from these settlements, as well as the existence of significant regional imbalances. The impact of the financial restrictions in the system and the consequences for the access to education in general and quality education in particular need to be reconsidered. The utilization of the modern information and communication systems may contribute to the improvement of the access to education, but currently their application is still not wide enough.

- Secondly, there is the issue of achieving a better balance in the implemented policies for insuring *unity between inclusion and participation in education and quality of education*. There needs to be a balance between catching up to European average quantitative indicators and maintaining a high quality of education, since the possession of diplomas without having the actual knowledge coverage does not increase the competitiveness of the individuals on the labor market. The debate to that effect is necessary and is conditioned by the large share of pupils below the critical knowledge level in the field of reading, mathematics and science. Increasing the salaries of the teachers, as a way improving the attractiveness of the profession and motivating the teachers, is only a step towards increasing the effectiveness of the educational system. In that context, allocating more resources for education to the poorer regions is only part of the efforts to create better conditions for education and ensuring access to education.

- Thirdly, *the difference in the number of persons, who "have never been to school" due to regional and ethnic reasons* is a matter of concern (according to data from the 2011 census conducted by the NSI, the proportion, divided by ethnic groups, is 1:8:11 for Bulgarians, Turks and the Roma minority, respectively). Data from a study conducted by the UNDP/WB/EU in 2011 indicate poverty as the most commonly cited reason for not attending school by the Roma children. A report by the Open Society from 2013 states that "a mere 47% of the children from the Roma

minority are included in the educational system and just half of those complete their primary education. The children from this ethnic group that continue on to enroll in lower secondary education comprise a mere 12% (for the age group 16-19), while the average for all other children is 81%” (Hristov, 2013). According to another study, the ethno-cultural model has a significant impact over the participation in education and special attention is paid to the participation in education of the girls after a certain age (Cherkeleva, 2018, p. 105).

Segregation and discrimination are still factors that impede the equality in the access and participation in the educational process and oftentimes are the motivation behind leaving school. In that sense, “a significant part of the educational, integrational and socializing potential of the “Strategy for the Educational Integration of the Children and Students from Ethnic Minorities” (Strategy for the Educational Integration of Children..., p. 1), remains unutilized, which necessitates the development of more diverse approaches and instruments for impact. One possible approach is *the introduction of full-time training in Bulgarian schools*, which would particularly benefit the students from the vulnerable ethnic groups as well as the children from the poorer families.

*The role of the municipalities* in increasing the integration of the children in the educational system can be intensified by implementing diverse policies. There are good practices in this regard, such as the *active inclusion of the community centers* in various forms of extracurricular education and training. *The link between the institutions and the local communities* in seeking public support for the implementation of integration policies can be strengthened if it becomes a sustainable exchange of information and ideas. In order to improve the effectiveness of institutional cooperation with parents and their involvement as partners in the implementation of integration policies other forms of mutual cooperation and communication between children, parents and teachers should be implemented alongside electronic forms of contact.

•Fourth, the active policy on the labor market includes a significant number of programs and measures, aimed at the activation of persons outside of the labor market for participation in it through motivation and training, as well as measures for employment, training and qualification.<sup>2</sup> These measures have been financed by the state budget with BGN 73 million per annum over the past few years as well as with a significant part of the resources allocated under the OP “Human Resources Development”. It can be said that, in view of the objective changes in the economy, the financial resource for training and qualification aimed at improving the quality of the labor force and its development increases over time, particularly in the years when resources were assimilated within the framework of the Operational Program “Human Resources Development. The role of the active policy on the labor market, in its part focused on supporting the development of human resource potential,

<sup>2</sup> See the National Program “Activation of Inactive Persons” in NEAP in 2018, where the identified target groups are: inactive persons who are not, registered in Labor Offices, discouraged persons and young persons, up to 29 years old, who are not working, are not seeking employment and are not registered in Labor Offices (NEAP, 2018, MLSP, p. 31, Annex 1).



however, is limited and cannot replace, but rather only partially compensates for the gaps in the educational system, mainly because this policy is not aimed at generating basic knowledge.

• Finally, *the participation in lifelong learning and the participation of adults in training should be noted.* Lifelong learning as a form of improvement of the quality of the human resources in accordance with the dynamic changes in economic development and the needs of the labor market continues to be problematic in terms of its realization, despite the existence of a set of measures in this area, which have also been financially supported with resources from the Operational Program over the last ten years. Observations have been made that *“despite the lack of modern work skills in a significant share of the population, the participation of the illiterate or low educated persons in training is still unsatisfactory. They often face problems with basic skills, which are of key significance for successful integration in today’s societies. That is why it is of primary significance to ensure access to high quality and accessible courses for improving the literacy of adults and a suitable environment for compensating the illiteracy problems – in the workplace and outside of it”* (National Strategy for the Encouragement and Increase..., p. 5).

On a European scale our country ranks last in terms of the share of adults, attending various forms of training – 2.2% in 2016, despite a slight increase in comparison to preceding years (1.6% in 2011), given that the EU-28 average is 10.8% in 2017 (and 9.1% in 2011, respectively).<sup>3</sup>

On a national scale, the reporting documents indicate a decrease in the number of adults signed up to acquire various degrees of professional qualification (for the school year 2015/2016 their number is insignificant: 2109 persons have signed up for a course to acquire the first degree of professional qualification, while a mere 13 have signed for a course to acquire the fourth degree of professional qualification) (see the 2015 Annual report on the implementation of the National Strategy..., p. 17). The national objective is 5% for 2020, while the average European target of 15% would present a significant challenge. It is apparent that *there needs to be a rethinking of the current system with regard to the improvement of the coordination between the participants in the system and the rethinking of the programs for adult training in view of the needs of the economy; the programs also need to address the individual groups better.*

In relation to that more efforts are needed in the field of validation of the informally acquired knowledge. There need to be wider opportunities to offer forms of training, which correspond with the interest and abilities of the employed, outside of the traditional forms of evening classes and distance learning. This necessity is reflected in the National Strategy for the Encouragement and Improvement of Literacy, but the most effective forms for its practical realization, which may be approved and utilized in order to increase the employability and quality of the labor

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<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Lifelong\\_learning,\\_2011\\_a](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Lifelong_learning,_2011_a).

force, as well as the productivity of its labor and its remuneration, have not yet been found.

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In conclusion, the following *summary* can be made:

- The prioritization of education is a main factor for generating quality human resource potential and ensuring quality employment is the right policy direction, which must be sustainable and coherent.

- The socio-economic changes in the country during the last thirty years have had an ambiguous effect over the equality of the people in terms of their access to education and to quality education. They have contributed to the formation of “vulnerable” groups in the population on an educational basis, which places a barrier before them with regard to employment in general and quality employment in particular.

- The identification of the educational disparities and the depth of their negative impact over the labor market allows for the addressing of the policies, which are aimed at decreasing the disparities in a series of strategic documents.

- The achievement of the objectives is impeded by the gravity and persistency of the problems accumulated over time. That is why the successes achieved in some areas are still minimal and unsustainable. The tendencies in the development of some of the processes are oftentimes in a direction, which is contrary to the desired one. Catching up to the average European levels for a series of indicators will remain a challenge in the coming years.

- The active policies on the labor market should not be looked at as a panacea for the improvement of the quality of the labor force, its activation and labor reintegration. The expectations for these policies should fall within the framework of its objectives, namely for inclusion on the labor market and for cooperation for qualitative adaptation to the dynamically changing demand for labor.

- The acceleration of the reforms in those spheres of education where there are tendencies of unsustainable development and considerable lagging behind the average European levels is necessary and requires the mobilization of the entire society.

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