



Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

## **OPINION**

### **ON "DRAFT STRATEGY FOR THE DEVELOPMENT OF HIGHER EDUCATION IN BULGARIA FOR THE PERIOD 2014-2020".**

**(own-initiative opinion)**

Sofia, 2014

The 2014 agenda of the Economic and Social Council envisioned the elaboration of an own-initiative opinion on the "**Strategy for the Development of Higher Education in the Republic of Bulgaria for the Period 2014-2020**".

The elaboration of the Opinion was assigned to the Social Policy Commission and the Budget, Finance, Insurance and Social Security Commission.

On 31 January 2014 an extended meeting of the two commissions was held to discuss and adopt the draft Opinion. Experts from the Ministry of Education and Science, the Ministry of Labour and Social Policy as well as representatives of youth and student organisations were invited and attended the meeting.

At its meeting held on 28 February 2014 the Plenary Session of the Economic and Social Council adopted the Opinion proposed by the Social Policy Commission and the Finance, Insurance and Social Security Commission.

## **ABBREVIATIONS USED**

GDP – Gross Domestic Product

BAS – Bulgarian Academy of Sciences

BIA – Bulgarian Industrial Association

HEI – Higher Education Institution

EHE – European Higher Education

EC – European Commission

EU – European Union

ESCF – European Structural and Cohesion Funds

ESF – European Social Fund

EP – European Parliament

EHEA – European Higher Education Area

ESC – Economic and Social Council

CoM – Council of Ministers

MES – Ministry of Education and Science

MLSP – Ministry of Labour and Social Policy

R&D – Research and Development

NEAA – National Evaluation and Accreditation Agency

NGO – Non-Governmental Organization

OECD – Organization for Economic Cooperation and Development

EQD – Educational and Qualification Degree

OP – Operational Programme

OP SESG – Operational Programme "Science and Education for Smart Growth"

OP HRD – Operational Programme "Human Resources Development"

CoMD – Council of Ministers Decree

ECTS – European Credit Transfer of System

PISA – Programme for International Student Assessment

PA – Partnership Agreement

PPS – Purchasing Power Standard

LLL – Lifelong Learning

## 1. CONCLUSIONS AND RECOMMENDATIONS

- 1.1. The Economic and Social Council calls for reaching social and political consensus on the future of higher education and science in Bulgaria and setting the development and modernisation of these fields as a national long-term priority.
- 1.2. ESC expresses its strong concern for the fact that Bulgarian higher education is falling behind in a number of EU priority areas, such as access and participation in education, quality and practical applicability of its products to the economy, labour market demand and employability of graduates, financial security and adequacy of management, focusing on the link: "higher education-research-innovation". These shortcomings of Bulgarian higher education render it inefficient and uncompetitive within the European Higher Education Area.
- 1.3. ESC calls for adequate funding of higher education and science and for more effective management and utilization of the financial resources by HEIs, bringing the plan for admission of students in line with the needs of the economy, society and the trends on the labour market, finding the most appropriate instruments and mechanisms to encourage business investment and ensuring their efficient use, and improving the conditions for attracting funds from international projects and programmes. New steps are needed for improving the system of student loans, scholarships and the social support for students.
- 1.4. ESC supports the use of a mechanism whereby state-owned HEIs should be funded not only on the basis of the number of admitted students but also on the achievements of their graduates /employability and career development, quality of higher education, concurrence with the needs of the labour market/. ESC recommends using the principle of project financing based on the annual participation of accredited universities with a defended project for training students and doctoral students with state funding for certain disciplines and professional fields in high demand on the labour market. The state funding, granted through project financing, should be organised on a contractual basis /for the entire course of education/ in accordance with rules, objectivity, public access to students' evaluation, obligations and responsibilities of both contractual parties.

- 1.5. ESC calls for improvements in the management of higher education by providing an opportunity for universities to freely design their internal organisational structure and consistently apply the principle of 'top-down' electability of management teams traditionally observed in European countries. A positive step in this direction identified in the strategy is the establishment of a Management Board (or Board of Trustees) in state-owned universities. Such public authorities should be established at the national level in order to ensure continuity, independence from the political situation and related risks, and a long-term predictable public policy in the area of higher education. ESC offers members of the academic staff of HEIs to have the right to be elected in the governing bodies of only one university – for which they are working on a full-time basis (amended and supplemented of Art. 55, para. 1, Item 1 of HEA).
- 1.6. ESC is particularly concerned about the fact that the institutional structure of higher education, including more than fifty accredited universities and colleges, does not correspond adequately to current requirements and national needs. A significant part of these HEIs do not possess their own human resources, have no notable achievements in research and development, and are not identifiable by employers and by the international research community. At the same time, ESC draws particular attention to the need to maintain optimal balance between state intervention and the autonomy of HEIs, in order to maintain the achieved academic and financial autonomy of HEIs, increase quality through competition and external market evaluation, and increase state control to safeguard national interests and achieve national strategic goals and priorities.
- 1.7. ESC proposes to streamline the institutional structure and bring the Bulgarian /multilevel/ model of higher education in accordance with the requirements of the Bologna Declaration /1999/, which will be in the interests of the efficiency and flexibility of higher education. The changes must ensure the process of prudent massification of higher education and thus support the dynamic restructuring of the economy, employment and competition between national regions.
- 1.8. ESC calls for increasing the access and participation in higher education /including at the regional level/ by improving financial support for disadvantaged groups by improving the quality of primary and secondary education, solving the problem of early school leaving in order to increase the number and success of potential students.

- 1.9. In order to enhance the competitiveness of higher education, ESC recommends the creation of mechanisms for the speedy consideration of the needs of the job market and reflecting them in the admission plan of HE programmes, academic documentation (course programmes and curricula), and teaching methodologies in HEIs; introduction of more stringent and transparent testing procedures, especially for final state exams; significant improvement of the performance of the specialized National Agency for Assessment and Accreditation (NAAA); improvement of the methodology for university rating by increasing the weight of NAAA's final evaluation.
- 1.10. ESC calls to improve the system for career development and active work with young people in order to inform and motivate their orientation towards the training needs of society, the economy and the labour market. Overcoming structural deficits is only possible through systematic, coherent and concerted action of the state, educational institutions and the social partners.
- 1.11. ESC recommends to improve and update the subject areas and professional training areas in higher education, to apply more broadly the competence approach to the professional profile of students through internships and systematic increasing of the qualification and improving the structure of teaching faculty, systematic re-estimation of medium and long term needs for qualified graduates in order to overcome the existing imbalance between the qualification of the HE graduates and the needs of the economy and labour market, generating structural youth unemployment. In order to ensure long-term funding for internship placements for students incl. in small enterprises and micro-enterprises, ESC proposes to create a special extra-budgetary fund financed by different sources and managed on a tripartite basis.
- 1.12. ESC believes that it is appropriate to hold a broad discussion with the social partners and NGOs on issues of further improving the application of the three-tier system of higher education (Bologna Process), in the context of the requirements of the new knowledge economy and the search for new incentives for national reforms
- 1.13. ESC insists that lifelong learning should be fully integrated into the mission, objectives and long-term strategies of HEIs and should be developed in active partnership with enterprises to form joint training courses based on the competence approach.

- 1.14. ESC strongly supports policies for drawing a direct link between the Strategy for the Modernisation of Higher Education in Bulgaria 2014-2020, the targets and initiatives of the Europe 2020 Strategy, the National Development Programme "Bulgaria 2020" and EU structural and investment funds for the period 2014-2020, as potential catalysts for the process of modernisation.

## **2. INTRODUCTION**

- 2.1. Nowadays, knowledge is becoming a key factor for socio-economic development and the role of higher education as its catalyst is increasing. Considering this process united Europe directs its efforts towards a single European Higher Education Area as a framework and form of cooperation for mutual acknowledgement and comparability, for developing a European dimension of higher education and more and better opportunities for European educational institutions to contribute to the prosperity of the Member States. European strategies for economic development, such as the Lisbon Strategy and subsequently the Europe 2020 Strategy placed education research and innovation at the heart of policies for growth, competitiveness and employment.
- 2.2. ESC reminds that before the accession of Bulgaria to the EU changes were made in the regulations governing higher education in the country with a view to bring them in line with the European priorities, policies and requirements. The adoption of the Higher Education Act (1995) was an attempt to overcome the chaotic development of the system, governed at the time by the Academic Autonomy Act (1990), to reach a balance between the obligations and responsibilities of the state to HEIs and their independence, as well as to improve the quality and effectiveness of their function.
- 2.3. ESC is drawing special attention to the fact that Bulgaria is among the first countries that signed the Bologna Declaration of 1999<sup>1</sup> and launched the Bologna Process aimed at ensuring the quality and reliability of higher education, improve funding, recognition of qualifications, degrees and study periods, increasing the mobility of teachers and students, expanding

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<sup>1</sup> Signed by the Ministers of Education of 29 European countries in order to create a European Higher Education Area. Over the years various academic institutions conducted extensive discussion on the objectives of the Bologna Process and its implementation.

access to education, introduce the ECTS system, lifelong learning and the social dimension of higher education.

- 2.4. Building on the Europe 2020 Strategy for Smart, Sustainable and Inclusive Growth a National Programme for Development "Bulgaria 2020" was adopted one of its top priorities being "improving the quality of education and training and the quality of the labour force". Considering one of the five main objectives of Europe 2020, viz. increasing the share of population aged 30-234 with higher education to 40% by 2020, and taking into consideration national specificities, the Republic of Bulgaria set the objective of reaching 36%. Bulgaria also participates in European programmes ("Erasmus", "Erasmus Mundus", "Marie Curie", etc.) aimed at improving the quality of the educational system, promoting innovative processes and the transfer of knowledge and technology, promoting cooperation and academic mobility. All this created a firm basis for the implementation of further changes in Bulgarian HEIs.
- 2.5. A comparable system of higher education was introduced, including two main cycles and three degrees (BA, MA, PhD), a credit transfer system, common European principles for quality assurance (external evaluation and accreditation of national universities, national rating system, etc.). The National Evaluation and Accreditation Agency was created, the National Qualifications Framework, the National Classification of Fields of Study in Higher Education, and a system for the recognition of periods of study and qualifications obtained abroad were adopted. The free movement of teachers and students was facilitated as well as the partnership between Bulgarian and foreign universities in the areas of training and research. The information system was expanded through the establishment of specialized registers at the Ministry of Education and Science for HEIs, faculty and students.
- 2.6. ESC emphasizes that the difficult economic situation in the country, the lack of consensus among political parties on the future of Bulgarian higher education, inadequate funding, the lack of strategic thinking for its long-term priority development, the deficiencies of the "outdated" regulatory framework and the continuous chaotic changes HE regulation and management are the major barriers to its modernization. ESC calls on MES and the managers of HEIs to work actively for the development of links between universities, research institutions and businesses that could guarantee the modernization of the HE sector and ensure the qualified professionals needed by the country.

- 2.7. ESC is concerned that Bulgaria is lagging behind in a number of priority tracks in the development of European higher education, such as expanding access to education and increasing the number of qualified graduates; improving the quality, demand and adequacy of university education; providing successful realisation on the labour market of graduates; improving the system of financing and management; developing links between education, research and businesses; improving and updating of the legal framework as well as the adequacy and effectiveness of the institutional framework.
- 2.8. ESC believes that it is imperative to reach a consensus in society on the policies, measures and actions needed to build a modern and efficient higher education system, transforming it into a strategic factor for the development of human capital with high quality and performance, to offer knowledge and skills adequate to the needs of the labour market, increasing the technological development, the competitiveness of the economy and the living standards in the country.

### **3. HIGHLIGHTS IN THE DEVELOPMENT OF HIGHER EDUCATION IN THE REPUBLIC OF BULGARIA**

- 3.1. ESC believes that there is an increasing level of anxiety among Bulgarians caused by the fragmentation of higher education in the country and the slow rate of necessary educational reforms. An alarming fact is that the state of Bulgarian higher education is deteriorating, that it still fails to meet European academic standards and in many ways is falling behind in its development, which is a prerequisite for the insufficient competitiveness of Bulgarian HEIs as compared to their European counterparts.
- Results of an international survey showing the top 50 countries in the ranking of the American Research Fund for higher education worldwide, places higher education in Bulgaria at the 31st place in 2012 and at the 38th place in 2013.<sup>2</sup> The relatively satisfactory *ranking of our country* is mainly determined by the criteria such as *educational environment* (9th place), including indicators like the percentage of female students, the percentage of female professors in the universities, the ratio between public, private and formally private universities.
    - Considerably *less satisfactory is the international assessment* with respect to

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<sup>2</sup> Survey of the [University of Melbourne](http://www.universitas21.com/article/projects/?parent ID = 152) conducted with the assistance of the international university network [Universitas 21](http://www.universitas21.com/article/projects/?parent ID = 152). U21 Ranking of national higher education systems, <http://www.universitas21.com/article/projects/?parent ID = 152>

*international cooperation* (by which criterion Bulgaria drops from the 19th to the 33rd place despite its participation in a number of European and international programmes). By the criterion of the *realization of graduates* Bulgaria ranks 37th. Even worse is the ranking of our country in terms of *the state funds allocated* for higher education – by this criterion Bulgaria occupies the 44th place (43rd in 2012).

- In the international rankings of the best universities in world there are no Bulgarian universities in the top 500. One Bulgarian university is included in the rankings, including that of the British publication Times Higher Education(2013) and is located in the group between the 600th and 700th place.
- According to the results of a survey among teachers and students from Bulgarian universities,<sup>3</sup> almost half of the surveyed teachers believe that Bulgarian HEIs are not competitive with those in Europe (a significantly higher rate than in the first survey of 2007/2008). A higher and also increasing percentage of students express te same opinion.

3.2. ESC notes that one of the important prerequisites for the poor competitiveness of Bulgarian higher education is its insufficient quality and the lack of correspondence between the main part of the curriculum and the requirements of society, the economy and the labour market. According to the survey among lecturers at Bulgarian HEIs,<sup>4</sup> nearly one third of the respondents assess the quality of higher education as poor. Employers also assess the situation in a similar way. The BIA survey shows that<sup>5</sup> employers hardly find qualified staff for positions requiring higher education. According to 34% of them, the reason for this is the low quality of higher education.

3.2.1. The problem with the quality of higher education is caused by both external and internal factors: on the one hand, there is the poor quality

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<sup>3</sup> The surveys were carried out by a team of the Economic Research Institute at the Bulgarian Academy of Siences. The results of the first survey conducted in 2007/2008 are the published in: Matev, M. and I. Zareva, 2010. Education and Science in Bulgaria, AP "Prof. M. Drinov", Sofia. ISBN 978-954-322-352-7. The results of the second survey conducted in 2012/2013 are obtained under the project "Higher Education and Science in Bulgaria in the Beginning of the 21st Century", implemented by Prof. Dr. M. Matev, Assoc. Prof. Dr. I. Zareva, Assoc. Prof. Dr. A. Kirova. The project was approved by the Scientific Council of the Institute by Protocol № 11 of 18 December 2013 and is in print.

<sup>4</sup> Ibid.

<sup>5</sup> "Survey of the Motivation and Attitudes Related to Professional Training, the Education Level and Occupation of the Workforce at the Company, Regional and Branch Levels - 2011", Milena Dimitrova, Kiril Stoilov, Daniela Simidchieva, Stefka Dobрева, BIA, [http:// www.competencemap.bg/url:1kwced](http://www.competencemap.bg/url:1kwced). The study was conducted by the Bulgarian Industrial Association under the Operational Programme "Human Resources Development" and presented in the beginning of 2012, <http://www.vesti.bg>, 21 February 2012

of primary and secondary education in the country;<sup>6</sup> problems with the financial and the legislative certainty; weak external control; and on the other hand, weaknesses in the management and institutional efficiency; problems in the criteria for the admission and assessment of students; insufficient motivation of educators and students; weaknesses in updating curricula, the forms and methodologies of training; inadequate internal control, etc.

3.2.2. An important factor for improving the quality of education and training is the adequate staffing of HEIs. In Bulgaria the production of the academic faculty is difficult – there is an insufficient inflow of young specialists. The age structure of academic staff shows a steady trend of significantly decreasing share of middle-aged faculty and increasing share of older faculty. Eurostat data show that the share of teachers aged 35-54 decreased from 55.3% to 45.4% for the period 2002-2011, while the share of those aged above 55 increased from 29.1% to 39.3%. The share of young teachers aged under 35 is decreasing slightly – from 15.6% to 15.3%.

3.2.2.1. The practice of teaching simultaneously at several HEIs restricts the time and opportunities for faculty to increase their qualification and engage in research activities, as well as to update the content of courses and teaching methodologies, which in turn impacts negatively the quality of learning. The share of faculty working on permanent contract decreased in the period 2000/2001 – 2012/2013 from 66.9% to 60.5%, mainly in state-owned HEIs (from 71.6% to 63.3%), while private HEIs they increased from 23.4% to 41.4%. To overcome this problem there is a need for a more targeted public investment allocated in accordance with the quality of higher education and the subsequent realisation of graduates on the labour market.

3.3. ESC is concerned about the low level of correspondence between higher education and the needs of the modern economy and the labour market.

3.3.1. ESC notes that higher education is both an individual and a public good and that the training of specialists should be directed to satisfying national interests and meet the long-term strategic

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<sup>6</sup> International surveys show a continuous downswing in the quality of primary and secondary education in Bulgaria. In 2009 PISA results showed that 41% of Bulgarian students score below the critical threshold for the OECD in reading literacy, which is the highest percentage in the EU. In 2012 PISA results showed that 43.8 % of Bulgarian students score below the threshold in mathematics.

priorities and needs of the economy<sup>7</sup> as well as the short and medium term needs of the labour market. This suggests that the strategy for the development of this public good must be closely connected with the national strategic priorities and objectives for economic development, while employers should engage more actively in the learning process and updating the curricula as well as the accreditation of higher education institutions. Reforming the state policy in the area of higher education has crucial importance for achieving this.

3.3.2. ESC believes that in order to improve the correlation between the education received at HEIs and the qualification needs of the labour market, it is necessary to make long-term forecasts for these needs. For this purpose, along with the use of European estimates,<sup>8</sup> the country, represented by MLSP, should develop a systematic approach to forecasting and employers should increase the accuracy of the information they provide concerning their needs, if possible not only in the short but also in the medium term.

3.3.3. Bulgaria lags behind the EU in training specialists in various advanced fields of knowledge. The actual share of students is smaller than the European average<sup>9</sup> in educational areas such as science, mathematics and informatics, healthcare and social activities, teacher training and the study of education, etc. The graduates in mathematics, science and technology per 1000 persons in the age group 20-29 are 12.4 for Bulgaria at an EU average of 16.8 (2011).

3.3.4. The results of the survey among HEI faculty and employers<sup>10</sup> show that the majority of respondents see little correlation between university training and the needs of the labour market. The same BIA survey of indicates that 41% of employers stated that there is a mismatch between supply and demand in the labour market. They point to problems in the theoretical and practical training of specialist. They believe that the content of theoretical training is not up-to-date and training in general has little practical applicability. It is noteworthy that nearly three quarters of responding faculty members are of the same opinion.

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<sup>7</sup> Consideration should be given to the fact that higher education is a long term process and its product may be realised on the market after 4-6 years or more (after the beginning of training process).

<sup>8</sup> For example, CEDEFOP develops such estimates.

<sup>9</sup> According to Eurostat data.

<sup>10</sup> The results of the aforementioned studies.

- 3.3.5. ESC believes that there are both internal and external factors for the insufficient adequacy and practical applicability of Bulgarian higher education: on the one hand, there is the lack of strategy for the development of higher education in line with the national strategic development priorities of the country's economy, as well as some gaps in the legislative framework; while on the other, there are the underdeveloped links between schools, employers and academic institutions, unused capacity of HEIs for international cooperation, delays in updating training programmes and curricula, insufficient practical training and preparation, incomplete provision of information, inefficiency of the rating system, etc.
- 3.4. ESC notes that the discrepancies between education and the training needs of the economy and the labour market create serious difficulties for the placement of young professionals. Many graduates are unable to find work in their specialty and are forced work in places that do not require higher education or remain unemployed. The employment rate of newly graduated professionals (up to 3 years after graduation) aged 20-34 is lower than the EU average by three percentage points. In 2008 these values were almost equal<sup>11</sup>. In 2012 the employment rate of graduates in this age group in Bulgaria was 78.5% as compared with 87.2% in 2008. The EU average rates are 81.5% and 86.9% respectively. The share of economically inactive graduates is approximately two times greater than the EU average. The economic inactivity rate of university graduates aged 20-34 for a period of 1 to 3 years in Bulgaria was 11.5% in 2012. (6.3% for EU-27). A large percentage of young graduates work in jobs that do not require higher education. According to European statistics,<sup>12</sup> in Bulgaria 30% of university graduates aged 25-34 rely upon such jobs, while the average percentage in surveyed countries is 18.1% (2010).
- 3.5. ESC emphasizes that in Bulgaria there are informal restrictions of the access to higher education for certain social groups and also on a regional basis. These are not administrative restrictions but rather difficulties primarily caused by the financial difficulties of many households and insufficient opportunities to access funding for students and their families to meet the different types of costs related to tertiary education. This survey of the views of faculty members and students from Bulgarian HEIs shows

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<sup>11</sup> According to Eurostat data.

<sup>12</sup> Education, Audiovisual and Culture Executive Agency (EACEA), The European Higher Education Area in 2012: Bologna Process - Implementation Report, 2012

that nearly one-fifth of the former and twice as much of the latter answered that there are such restrictions.

3.6. ESC notes that restrictions in the access to education as well as early school leaving<sup>13</sup> are prerequisites for the low participation of the population in higher education – still much lower than the targets in the Bulgaria 2020 Strategy and the Europe 2020 Strategy. The share of the population aged 30-34 with higher education is significantly lower than the EU average. It should be emphasized that Bulgaria is the only EU country in which this share has even decreased in the period 2009-2012 from 27.9 to 26.9%, while the EU average has increased respectively from 32.2 to 35.8%.<sup>14</sup>

3.6.1. For the last twenty years the number of students in the country has shown a relatively steady upward trend that since 2010 has been interrupted. Enrolment rates in higher education, however, are increasing: group net enrolment in universities and specialized HEIs has increased for the period 2008/2009-2012/2013 from 30.9 to 38.2%<sup>15</sup>. Given the increasing enrolment in higher education, the reduction in the number of students can be explained by the very unfavourable demographic processes in the country and with the significant decreases in the number of younger people. Another contributing factor certainly is the rapid increase in the number of young Bulgarians studying abroad.

3.7. ESC insistently reminds that the increase in student mobility is an important pan-European dimension of the development of higher education aimed at improving its quality. It should not be overlooked, however, that the percentage of Bulgarian students abroad is significantly higher than the EU average. Bulgarian students studying in another country – Member State or Candidate State – reach up to 8.6 percent of all students in 2011 at an average of 3.3% for EU-27<sup>16</sup>. At the same time, the share of foreign students from other Member States and Candidate States studying in Bulgaria is lower than the EU average – 2.7% of all students in the country at an average of 3.4% for EU-27. These processes are generally not determined by state and HEI policies but rather follow their own logic,

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<sup>13</sup> According to Eurostat data, 12.5% of the population aged 18-24 in Bulgaria has not completed secondary education (2012) - these are early school leavers that have dropped out for different reasons.

<sup>14</sup> According to Eurostat data.

<sup>15</sup> According to data of the National Statistical Institute, Education in the Republic of Bulgaria, 2013. The coefficients are calculated as a percentage based on the ration between the number of students enrolled in HEIs and the overall number of population in the same age groups.

<sup>16</sup> According to Eurostat data.

which amounts to a risk of brain drain and loss of highly qualified specialists in the country.

- 3.8. ESC notes that the relatively low participation of the population in higher education is partly determined by university dropout rates. According to data provided by the European Commission,<sup>17</sup> however, this problem is not so acute in Bulgaria and the country is not ranked among those that have to make greater efforts to reduce the dropout rate in higher education. It should be noted that graduates aged 20-29 per 1,000 population in the same age group in Bulgaria have increased significantly since 2008 from 39.4 to 51 people in 2011. (the EU-27 average being 43.5). This sharp increase can be explained by the rising rates of enrolment in HEIs, but also raises the question of assessment criteria of student performance and the conditions for issuing university diplomas.
- 3.9. ESC is concerned that Bulgaria is among the countries in the EU (along with Romania) with the least public participation in lifelong learning and is significantly lagging behind not only with respect to the objective of the Europe 2020 Strategy (a rate of 15%) but also to that of the National Development Programme Bulgaria 2020 (5%). Throughout 2012 only 1.5% of the population aged 25-64 has been involved in this process at an EU average of 9%. The share of younger and more educated people participating in continuing education and lifelong learning is relatively higher. This problem poses a serious challenge to higher education, which should create conditions for a better and more equitable access, adapted the forms and methodologies of training to meet the needs, and improve the quality of the educational process. ESC welcomes the relatively good presentation of these issues in the draft "Strategy for Higher Education 2014-2020".
- 3.10. ESC believes that the funding of HEIs in Bulgaria lags significantly behind the EU average. The total expenditure on tertiary education as a percentage of GDP in Bulgaria is about two times smaller than the EU average, and has decreased following the crisis of 2008 unlike the EU average. According to Eurostat, in 2008 the total expenditure as a percentage of GDP for EU-27 was 1.14%, while for Bulgaria it was 0.86%. In 2010, respective values were 1.26% and 0.61%. Given the amount of the GDP of our country, annual expenditure per student in higher education in this country is more than two and a half times lower than the EU average<sup>18</sup> for

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<sup>17</sup> EC, Europe 2020 target: tertiary education attainment, 2013, [http://ec.europa.eu/europe2020/pdf/themes/28\\_tertiary\\_education.pdf](http://ec.europa.eu/europe2020/pdf/themes/28_tertiary_education.pdf)

<sup>18</sup> According to Eurostat data.

2010: for EU-27 9638.4 (PPS<sup>19</sup>) and for Bulgaria – 3762.7 (PPS). The limited financial resources have a significant impact on the quality of the educational process, the quality of the academic product and its market.

3.10.1. This financial gap is defined as insufficient budget financing and the limited investment by businesses due to the low level of motivation and financial difficulties, as well as a result of unused opportunities to attract funds from international sources. Students and their families provide a significant amount of funding, while grants and student loans are insufficient and there are no tax incentives. Students in Bulgaria, with the exception of certain categories, pay tuition fees which have the tendency to increase over time. At the same time, financial assistance for students,<sup>20</sup> as a percentage of the total cost of higher education is less than the EU average – 18.2% for EU-27 and 11.5% for Bulgaria in 2010. (Source: Eurostat). This condition is an obstacle to expanding access to education for certain groups of the population. The results of the above surveys among teaching staff at Bulgarian HEIs show that of all sources funding the respondents rate the lowest those coming from the business sector. A large percentage of them identify problems in securing funds from international sources. The majority of academic staff believes that state funding is insufficient. Relatively well appreciated are the costs of higher education in the opinion of students and their families.

3.11. ESC stresses that the institutional structure of higher education is facing problems that largely determine its effectiveness and adequacy, as well as its interaction with other institutions. The network of HEIs is relatively large for a country the size of Bulgaria. The survey shows that this view is shared by nearly two-thirds of respondent teaching faculty.

3.11.1. ESC notes that the relations of higher education institutions, on the one hand, with the state administration, and on the other, with employers and employer organizations, scientific institutions, NGOs, foreign universities (including for exchange of lecturers, development of joint projects, joint training, etc.), international organizations and institutions are not well developed. These insufficient relations interfere with the operation of the so-called

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<sup>19</sup> PPS - Purchasing Power Standard (artificial common currency / currency unit)

<sup>20</sup> Financial aid includes scholarships, grants, and the like.

"Knowledge Triangle – higher education – research – innovation". The development of partnerships would help increase the quality and practical applicability of education, improve the financing of the system and its regulations, strengthen the status, motivation, career development and mobility of academic staff, which in turn would attract young professionals, and enhance the creation and implementation of innovative products in HEIs.

- 3.12. ESC believes that it is necessary to achieve the optimum balance between state governance and autonomy of HEIs. Academic autonomy is an expression of intellectual freedom academics and creative nature of the educational and research process and should not be adversely affected. At the same time the duties, responsibilities and control of the state as defender of the public interest, should not be underestimated. The findings of aforementioned surveys show that the respondent teaching staff are divided in their views on academic autonomy. Nevertheless, more than half of them think that it is appropriate to expand it. It should be noted that the share of those respondents has decreased in comparison to the previous study. Arguments expressed against increasing the autonomy include: that universities should serve national rather than their individual business interests; HEIs are subsidized by the state and should be accountable to the subsidizing body; HEIs should prevent fraud and embezzlement that can jeopardize the quality of education.
- 3.13. ESC notes that the lack of a strategy for the development of higher education hinders the development of adequate laws and regulations in this area. The legislative framework governing HE is incomplete, outdated, often changing /without prior impact assessment/, sometimes contradictory and insufficiently integrated into other legislation. There are problems with its understanding, interpretation, implementation, compliance and control over their implementation.
- 3.13.1. ESC believes that the national strategy for the development of higher education should be linked to the national strategic priorities for economic development and the sectorial policies. Otherwise it would not be able to play its proper role in transforming higher education into a long-term national priority and resource for development.
- 3.13.2. The problems concerning the completeness and adequacy of the regulatory framework require the development and adoption of a new Higher Education Act, as well as improvement of the

Development of Academic Staff Act in the Republic of Bulgaria, including the procedures for national recognition of academic qualifications and criteria for academic degrees.

3.13.3. In summary, the results of the surveys among teaching faculty discussed above show that the majority of respondents give a negative evaluation of the current policy for the development of higher education in the country and identify the lack of a workable strategy. A third of the respondents assess the legislative framework of higher education as poor due to the incompleteness and inadequacy of the regulations and the low degree of integration between them and the rest of the legal system (related to the labour market, employment, financial and tax systems, mobility, etc.)

#### **4. NEED FOR NEW PERSPECTIVES IN MODERNISING HIGHER EDUCATION**

Considering the presence of a number of significant barriers to the development and modernisation of higher education in Bulgaria, and the complexity and multifaceted nature of the problems, ESC draws particular attention to some key policies and measures to be implemented by national authorities and HEIs.

##### **4.1. Problems that are to be solved by national authorities and institutions**

4.1.1. ESC supports the conclusion that the "three pillars – education, research and innovation," require clear public commitment to the future, which urges the gradual increase of the funding for higher education in order to reach the EU average, ensuring full participation of universities in the European market of educational services. This requires new rules and mechanisms for determining the amount of the subsidy to state universities. The improvement of funding mechanisms should rely on diversification of sources, i.e. looking for balance between public, private and additional own revenue<sup>21</sup>. The effort to improve this balance can be aided by developing a concept for structuring the sources of funding, while the efforts to increase the efficiency can benefit from the use of long-term forecasts of the needs for graduates according to professional fields.

4.1.1.1. Restrictive fiscal policies and austerity measures focusing primarily on fiscal consolidation in the field of higher education and research must be overcome and budgetary spending should be increased under the conditions of academic openness and adequate

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<sup>21</sup> In this area the picture in Europe is too diverse, but generally still public funding is crucial for universities, which makes them dependent on the political priorities and often leads to underfunding.

relationship between "price" and "cost", to achieve within a reasonable time European flexible practices and levels of funding that can ensure the implementation of initiatives for modernising education practices, increase academic standards and the quality of education in the country.

- 4.1.1.2. ESC restates its proposal to increase the share and the amount of business sector investment in HEIs by implementing adequate state policy and taking targeted action, incl. introducing changes in the legislation to create an environment and stimulate the economic interest of businesses /through financial incentives, tax rebates and incentives/ to invest in higher education and research.
- 4.1.1.3. ESC believes that it is also important to create better conditions for universities to attract additional funds from external international sources /programmes, projects, institutions, etc./, which requires removing administrative barriers, reducing bureaucracy, improving potential beneficiaries' access to information, increasing the control over the application of criteria and the objectivity in the evaluation of projects, incl. within the new Operational Programme "Science and education for smart growth."
- 4.1.1.4. It is also prudent to improve the financial support for students (and their families) – scholarships, grants, dormitories, tax incentives, state guarantees for student loans, etc., while improving the social security and welfare system for students would provide better and more socially equitable access to education for disadvantaged groups and increase the share of the population with higher education.
- 4.1.1.5. ESC insists that the final version of the Draft Strategy should include more rational and effective policy solutions for increasing access to higher education at the admission level, quality assessment during the process of education and evaluation of the employability of graduating specialists.
- 4.1.1.6. Targeting funding, financial and tax incentives in accordance with the quality of training of specialists for different professional fields, which are expected to be in high demand in the medium and long term, as well as based on the final results of graduating students would help to increase the adequacy, self-regulation and initiative for the modernisation of higher education in line with the needs of

the economy and the labour market, as well as increase its efficiency and competitiveness.

- 4.1.1.7. ESC believes that the proposed Draft Strategy responsibly poses the problem of funding. At the same time, it notes that a balanced approach requires, along with the pressing need to increase investment from businesses, a strengthening of public funding and more active efforts on part of HEIs for attracting additional funds from international sources and projects.
- 4.1.2. ESC recommends: timely improvement of the legislative framework governing higher education /incl. The Higher Education Act and the Development of Academic Staff Act of the Republic of Bulgaria/ by eliminating existing contradictions in and between them and bringing them in line with European strategic documents, directives and regulations; achievement of a higher degree of stability of the regulatory framework and systematic building of links between various regulations, improving the monitoring and control by national authorities and institutions for proper implementation and compliance with applicable regulations and standards.
- 4.1.3. ESC believes that there are reserves for further optimization and unification of the institutional structure of higher education. It is imperative to improve the system of procedures, criteria and indicators for assessing the activity of HEIs and professional fields in which the train students. It is necessary to strengthen the post-accreditation monitoring of the results from their activity in order to create an environment for more flexible structural changes according to market conditions and increasing demands for quality and competitiveness of higher education in Bulgaria. Is necessary to improve the methodology for developing the rating of universities and the criteria of the rating system, incl. through extensive public consultation, raising the adequacy and objectivity of the evaluation of HEIs, including by increasing the weight of the accreditation assessment NEAA and improving the National Classification of Fields of Study in Higher Education.
- 4.1.3.1. ESC insistently reminds that changes in the institutional structure and the optimisation of the network of HEIs in the country should be carried out so that: to ensure improved access to higher education /incl. at the regional level/ in the context of the requirements of the Europe 2020 Strategy to promote European academic values, culture and standards to increase openness, transparency and public awareness using the rating system.

4.1.3.2. ESC believes that the measures proposed in the Draft Strategy for enhancing the role and contribution of private universities and achieving an adequate balance in the system are inappropriate. It is hardly necessary for the role of private universities to be increased administratively by setting this out in the Strategy. The main regulating factor for this must be the quality, adequacy and competitiveness of education and training as well as the successful placement of graduates in the labour market. If private HEIs offer such training, they will be able to thrive successfully on the market of educational services. The regulatory function of the state is to ensure equal access of HEIs to the market of educational services by financing state universities pursuant to objective, transparent and fair rules and estimation criteria. Important element of this function is finding the right tools, mechanisms and regulators for developing optimally efficient network of HEIs in the country.

4.1.4. ESC finds very important the policies for maintaining optimal balance between governmental control and the relative autonomy of HEIs through maintaining the achieved academic and financial autonomy,<sup>22</sup> with a special emphasis on the transparency, accountability and governmental control over the capabilities of graduating students in order to defend the national interest and priorities and guarantee the increasing value of educational services funded from the public purse.

4.1.4.1. ESC believes that in terms of the further decentralisation of management and financing of the system and the expansion of academic autonomy of HEIs, the state should act carefully by focusing regulations on key aspects of academic practice: the establishment, accreditation and market access of HEIs; funding of public universities; mechanisms of the functioning of HEIs in accordance with Bulgarian traditions, European values, culture and academic standards; systems for maintenance, monitoring and control of quality. The goal is the actual achievement of strategic objectives and priorities, the balance between government and academic autonomy at school level.

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<sup>22</sup> Although there is a tendency to increase the autonomy of universities, generally the intervention of public authorities in European countries retains its crucial importance, which involves the risks of over-regulating of the system. For example, the Danish Act on Universities adopted in 2003 by increasing the political influence of the state substantially limits the autonomy of universities. Alongside autonomy, in this context attention should also be paid to the self-governance of universities and their capacity for self-regulation.

- 4.1.5. ESC recommends that national institutions continue to promote /through mediation, rulemaking, financial and tax rebates and incentives/ the relations between universities and employers in order to build networks of cooperation in areas such as: provision of information about the professional needs of employers, employment opportunities for newly graduated professionals, the adequacy of curricula and the practical applicability of the received higher education, expanding internship practices and attracting funding businesses.
- 4.1.6. ESC calls for the development and implementation of an adequate model for determining the needs of the labour market for specialists with higher education in the medium and long term in order to overcome distortions between such needs and the actual allocation of places and disciplines.
- 4.1.7. ESC believes that it is necessary to take prompt, appropriate measures and actions /incl. strengthening the control over the quality improvement of primary and secondary education/ to increase the number of prospective university applicants and improve the access to higher education, heightening the knowledge and the intellectual capacity of prospective students, as prerequisites for improving the quality of higher education. ESC recommends that this issue should be properly addressed in the Draft Strategy and that solutions should be proposed.
- 4.1.8. ESC designates the National Evaluation and Accreditation as the key strategic institution for academic supervision, evaluation, maintenance and management of quality in higher education and meeting EU standards. Therefore, it calls for an integrated analysis of the current activity of the Agency to review policies, procedures and practices of assessment and accreditation, and take immediate steps to improve them, to make a complete analysis of the effects of the implemented quality management systems and the results from periodic audits of quality in higher education. ESC calls in conducting institutional accreditation and conformity assessment for academic staff under the terms of employment, each member of the academic staff should be able to participate in the accreditation of only one HEI, while the current practice of participating in the accreditation of up to two HEIs should be discontinued (amended and supplemented of Art. 77, para. 3 HEA).
- 4.1.9. The Draft Strategy fails to analyse the problems of higher education management at the national level. To ensure sustainability, consistency and predictability of system development, ESC believes that it is appropriate to create a National Council for Science and Higher

Education comprising representatives of public administration, HEI, scientific institutions and the social partners.

#### **4.2. Problems that should be solved by the management bodies of HEIs**

- 4.2.1. ESC recommends that urgent action should be taken by HEIs to improve the quality of the educational services offered by them in all their aspects: change their approach and criteria for the selection and admission of students; change the quality and effectiveness of education in EQD, through developing practical and anticipatory knowledge for immediate employability in the field of specialisation; update curricula according to the needs of the economy and the labour market; implement new, advanced technologies, and approaches to academic work and improving the conditions for systematic training, mobility and motivation of faculty members; expand the forms of internal control and audit of the management and maintenance of the quality in higher education .
- 4.2.2. ESC calls that HEIs should use the strong support from the social partners to actively form equal partnerships and other forms of co-operation with employers to increase the opportunities for practical training, including internships and student practices in the studied field; update the educational profiles of taught EQDs; provide information about the medium-term demand and nominate young professionals to participate in joint research projects and attract additional funds by providing paid /research and development/ services to businesses. Businesses, regardless of their size, should contribute to the improvement of the curriculum, the quality of the training and the development of university entrepreneurship. They should support the maintenance of high academic standards and the improvement of practical training in order to place a more competitive academic product on the labour market.
- 4.2.3. ESC calls for greater involvement of HEIs in international projects, networking with foreign universities and international institutions to attract more funds from abroad, as well as a greater exchange of teaching staff, academic experience and good academic practices in the development of multicultural higher education and research.
- 4.2.4. ESC recommends targeted integration strategies of HEIs for lifelong learning and development through proper institutionalised partnerships with businesses in the long run.
- 4.2.5. ESC calls for universities to improve the environment for maintaining high

quality academic staff through systematic training, introducing fair procedures for assessment and academic growth, promoting the internal and external mobility /through participation in international networks/ of teaching staff and researchers, improving the working conditions and attractiveness of academic careers.

4.2.6. Considering the huge challenges, ESC is in favour of professionalization and flexibility of academic management, the work of which should be supported by reducing bureaucracy and new approaches to the selection of competent persons in managing bodies which should involve the correct application of the principle of competition /incl. top-down/ and the European practice of electability of management offices, maintaining full transparency in electoral procedures and academic management.

4.2.7. ESC welcomes the support that the Draft Strategy gives to the initiative of the European Commission for the development of a so called "Entrepreneurial University"<sup>23</sup> based on a wide network of partnerships /accompanying every enterprise/ between universities and businesses to solve the problems of long-term educational research and innovation, the professional realisation of students and the development of infrastructure for transferring academic knowledge. This is a sign of paradigm shift in the functioning of the modern university in terms of the free movement of knowledge /the fifth freedom/ directly influencing its potential, dynamism, financial sustainability and prestige, offering an attractive and competitive academic product with a strategic orientation towards the future, towards the economic and social growth of the region and the country as a whole.

## **5. SOME ADDITIONAL NOTES ON THE DRAFT STRATEGY**

5.1. ESC proposes that the analytical part of the Draft Strategy should be supplemented with analyses and a more specific description of the following problems: legislation (rigidity and imperfections); management of higher education; funding as an instrument of governance; the role of the Scientific Research Fund; structural problems; access to higher education in the country, etc. We believe that it is necessary to make a very thorough analysis and evaluation of the development of the Bologna Process in Bulgaria.

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<sup>23</sup> COM/ 2011/567 final, p 8 and Council Conclusions of 28-29 October 2011.

- 5.2. ESC considers it necessary to correct some factual inaccuracies in the analytical part of the Draft Strategy.
- 5.3. ESC believes that it is necessary to supplement the fourth section of the Draft Strategy concerning policies and measures for the realization of specific objectives, particularly those relating to promoting access to HEI /item 4.2.1./. The text indicates two challenges that are important and are mainly related to the demographic crisis. However, alongside the mentioned ones there are others that remain unaddressed.
- 5.4. ESC doubts the credibility of the hypothesis set out in the Draft Strategy for the development of higher education, i.e. that by 2020 the lag in the modernisation of education from the European average will be compensated; that financial resources will be provided; to reach the global dimensions in education (p. 35). Bulgaria's lag by now is significant, especially that the higher education system cannot quickly and in a short time be changed taking into account the difficult economic situation in the country and many people's lost confidence in it.
- 5.5. ESC believes that the Draft Strategy addresses in a too fragmented way the very important issue of the reproducibility and development of academic faculty, its quality and structure, which is directly related to the quality, competitiveness and pace of modernisation of higher education.
- 5.6. ESC pays particular attention to the achievement of the objectives set out in the Draft Strategy and its implementation depend on a number of external factors and the close linkage with a number of other strategic and programming documents defining: long-term national priorities in the development of the economy, the political will and the adequacy of policies for their implementation; the funding of the HE system, incl. by absorption of OP "Science and education to smart growth" demographic changes in the country and the results expected from the implementation of the National Strategy for Demographic Development 2012-2030., concepts and policies of the National Strategy for Lifelong Learning 2014 and 2020, Strategy to Reduce Early School Leaving 2013-20120, National Youth Strategy 2010-2020 etc.
- 5.7. ESC reminds that the objective evaluation and monitoring of the Strategy requires clearly defined and measurable goals and the use of measurable

performance evaluation of the achieved effects.

(signature)

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**PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL**

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