



Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

## **OPINION**

**on:**

**“The current system for vocational training, qualification and retraining for adults in order to assess its compliance with the development of the labour market, incl. the need to strengthen digital skills”**

**(own-initiative opinion)**

**Sofia, June 2021**

The Economic and Social Council (ESC) included in its Action Plan for 2021 the elaboration of an opinion on the topic: "The current system for vocational training, qualification and retraining for adults in order to assess its compliance with the development of the labour market, incl. the need to strengthen digital skills".

The opinion was distributed to the Economic Policy Commission and the Social Policy Commission. The Economic Policy Commission was appointed as the leading commission for the elaboration of the draft opinion and Valentina Zartova, Veselin Mitov and Miglena Uzunova-Tsekova were appointed rapporteurs.

At its plenary session, held on 30 June 2021, ESC adopted the opinion.

## **1. Conclusions and recommendations.**

1.1. The Economic and Social Council shares the view that increasing the qualifications and retraining of the working age population should be an urgent priority in the new European and national strategy papers, as well as for stakeholders in the adult learning sector.

1.2. In today's world, businesses and the workforce are developing in the conditions of dynamic technological changes and digitisation of the economy, global competition and new organisational models of work. High productivity, sustainable competitiveness and growth depend on the availability of a skilled and adaptable workforce, as well as on the full use of available skills. ESC points out that Bulgaria needs decisive and large-scale action to ensure that its citizens will be able to develop in the context of the green and digital economy, and to contribute to the recovery from the crisis after the pandemic.

1.3. Bulgaria's poor position in terms of the values of most internationally comparable indicators puts it in the situation of a country that must catch up with the average European achievements in the period up to 2030, for which it is necessary to make lasting efforts to improve the quality and efficiency of the national education and training system and active labour market policy. To overcome the negative trends, ESC believes that it is necessary to make significant changes in the policy of lifelong learning, based on competencies and individual skills. The aim is to introduce a new approach to provide flexible pathways for trainees, as well as to introduce separate funding schemes and further development of work-based learning. It is extremely important to plan large-scale programmes with more incentives for employers in micro, small and medium-sized enterprises to involve their employees and workers in training in order to improve their qualifications and skills; improving awareness of the benefits of professional qualification and training to increase it; increasing incentives for participation in education and training; establishing validation as a successful tool for recognising non-formal and informal learning; creating a functioning system for career development.

1.4. ESC is aware of the responsibility and challenges facing the labour force in the labour market in the context of digitisation. The low levels of digital skills during the Fourth Industrial Revolution reduced the opportunities for individuals to perform more skilled work. This, accompanied by the poor use of the Internet, limits their opportunities both to improve their skills and to seek better employment. ESC believes that efforts should be made by all stakeholders to support and achieve adequate results from the training programmes of individuals in the field of digitisation. ESC calls for training programmes aimed at activists to be jointly developed in dialogue and a single partnership between municipalities, the private sector, public authorities, employers, trade unions, civil society, teachers, researchers and students themselves. Digital education and training should build on evidence, data, transparency and comprehensiveness to help track progress and improve the digital transformation of education for all<sup>1</sup>.

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<sup>1</sup> EUCO 14/17 - European Council meeting (19 October 2017) - Conclusions.

1.5. ESC believes that improving the digital skills of the workforce requires good prior information about what will be digital training and how it will contribute to the professional development of employees. ESC recommends having competent professionals to guide people to the need to acquire and develop their digital skills at work. ESC argues that taking into account the age differences in the preparation of training activities is necessary to achieve the best results.

1.6. ESC draws attention to the fact that quality education presupposes the development of modern professional competencies that allow jobseekers to adapt quickly and easily to modern business processes. In addition, among the key qualities in the rapidly changing work environment and economy that formal education and training and non-formal learning should form are attitudes towards the acquisition of new knowledge and skills, attitudes towards lifelong learning. Of equal importance are the so-called soft skills (skills for teamwork and relationship building, skills for independent work, diligence and striving for improvement, attention to detail, etc.), which should be effectively included in the curricula and plans of educational and training institutions and organisations.

1.7. The serious discrepancy between the structure of "supply" and the type and level of formation of professional and digital skills on the one hand, and the dynamically changing needs of the labour market - on the other, require a comprehensive review of existing regulations in vocational training and employment. The requirements for fast responding to the business needs of specialists with a new set of skills require rethinking the pathways for acquiring professional qualification and for continuing education; introduction of new modern tools for organizing and conducting vocational training, which will link the formation of skills with the needs of the labour market; a new logical framework of the List of Professions for Vocational Education and Training; significant change in cumbersome procedures for developing, coordinating and validating training documentation.

1.8. New technologies and automation have the potential to make some professions redundant by replacing them with automatic processes. It is estimated that these changes may affect between 15% and 20% of jobs with different effects in different countries and continents<sup>2</sup>. For now, predictions indicate that the most common "threats" from automation and robotics will be "ordinary", routine activities and jobs that require low and medium level skills, not only in production but also in the so-called "white-collar" jobs. This requires a serious restructuring and updating of the List of Professions for Vocational Education and Training. Given that this is the main document for the organisation of vocational guidance and vocational training, ESC recommends that the process start immediately after the preparation of the comparison table between the National Classification of Occupations and Positions (NCOP) and the European Skills, Competences, Qualifications and Occupations (ESCO) and the pillar "Skills".

1.9. The vision and goals of the country's development policies until 2030 adequately recognise the challenges and are focused on the quality of human capital and improving the quality characteristics of the workforce, given the deepening demographic crisis and the changing demands of the labour market. The strategic documents emphasize the need for lifelong learning

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<sup>2</sup> OECD, Employment Outlook 2019, World Bank

and training and retraining of the workforce, with a tangible emphasis on soft skills and digital competencies, but ESC is not convinced that there is recognition of the scale of the need for increasing the qualification and retraining of the workforce which must take place by 2030

1.10. According to Cedefop's 2020 forecast<sup>3</sup>, in Bulgaria the share of the adult population with potential for advanced training and retraining is estimated between 35.1% and 48.8% of the total adult population, i.e. between 1.4 and 1.9 million adults, depending on the level of digital competences considered. In view of this, it is necessary to create a comprehensive approach to raising the qualification and retraining of the population with a focus on low-skilled older people. This approach should be able to meet their needs in a coordinated and consistent way and ensure that they have all the tools and support to undertake sustainable ways of learning, leading to the use of their full potential and realisation.

1.11. Bulgaria does not participate in the OECD's Programme for the International Assessment of Adult Competencies (PIAAC). In view of the rich information provided about the level of skills of adults and the opportunity to compare the quality of adult education in different countries in the situation of global economy and labour market, ESC finds it appropriate to include our country in this study. Survey data can be used for planning activities/reforms aimed at improving adult education and training systems, as well as for initiating activities aimed at improving the qualification and retraining of various groups of the population.

1.12. ESC welcomes and supports, as a first step for reforms in the skills system, the launched process of creating a model of sectoral councils for skills in Bulgaria, which aims to effectively and efficiently help to adapt vocational education and training and learning throughout life to the needs of the labour market and to have a sustainable impact on the structure of employment and the Bulgarian economy as a whole. ESC expects these councils to be the basis of the sectoral qualification funds, the establishment of which is planned in the Programme "Human Resources Development" for the period 2021-2027.

1.13. ESC emphasizes that the share of the adult population with the potential for training and retraining requires immediate action, and one of the main challenges is the great diversity of low-skilled adults, who may have very different needs and characteristics.

1.14. Achieving success and making lifelong learning a reality for all citizens in Bulgaria requires joint action by the government, municipalities and social partners. ESC proposes the making of an agreement between the various stakeholders with clear commitments and responsibilities to increase the participation of the elderly in education and training and to introduce a new and dynamic approach to the policy on vocational training, qualification and retraining of the elderly.

## **2. Introduction**

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<sup>3</sup> European Centre for the Development of Vocational Training

2.1. Skills are vital for competitiveness and employability, as structural changes such as globalization and technological progress require ever higher and labour market-relevant skills to increase productivity and provide good jobs.

2.2. The European Union (EU) needs a skills revolution to ensure that people can thrive in the context of the green and digital economy, and to contribute to the recovery from the COVID-19 pandemic. In response to these challenges, the European Skills Agenda for Sustainable Competitiveness, Social Justice and Sustainability introduces a new and dynamic approach to policy on vocational training, qualifications and retraining of the elderly population. The document sets ambitious goals for the next 5 years (Appendix 1) and sets out a clear strategic framework that ensures that skills lead to job creation<sup>4</sup>.

2.3. The outbreak of the COVID-19 pandemic has had unprecedented consequences for our economies and societies. The social distancing measures applied to limit the spread of the virus are having a serious impact on labour markets, both in terms of job losses and in terms of the new organization of work through new technologies and digital means. It is more important than ever to ensure that every adult has the opportunity throughout his or her life to update his or her current skills and acquire new skills to help him navigate uncertain times and develop favourably in his life and career. The starting point for the success of this transformation for the benefit of the European economy and European society is the strategy paper "Europe ready for the digital age". It represents the vision and directions for the digital transformation of Europe by 2030<sup>5</sup>. In response to the European strategy, the Council of Ministers adopted in July 2020 the document "Digital Transformation of Bulgaria for the period 2020-2030"<sup>6</sup> with policy objectives for the period until 2030.

2.4. In order to be successful, lifelong learning must become a reality for all citizens in Bulgaria. Currently, a small part of the population aged 25-64 participates in training - 1.6% in 2020. (Appendix 2). This is far from enough to give a new impetus to the economy and reap the full benefits of the green and digital transition. Collective action is needed to mobilize the government and the social partners to commit themselves to empowering and receiving remuneration for increasing their qualification and retraining.

2.5. The purpose of this opinion is to support the development, dissemination and implementation of policies in the field of vocational training, qualifications and retraining that help adults, especially low-skilled adults, to acquire the knowledge, skills and competences needed for work, employability and lifelong learning.

### **3. Assessment of the adult population with potential for advanced training and retraining**

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<sup>4</sup> <https://eur-lex.europa.eu/legal-content/BG/TXT/PDF/?uri=CELEX:52020DC0274&from=EN>

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/bg/TXT/?uri=CELEX%3A52021DC0118>

<sup>6</sup> <https://www.strategy.bg/StrategicDocuments/View.aspx?lang=bg-BG&Id=1318>

3.1. By 2020 Bulgaria has not achieved its goal of 5% of the population aged 25-64 participating in formal<sup>7</sup> and non-formal<sup>8</sup> education. At a time when our society is facing many challenges: technological change, including digitisation and its implications for the future of work; demographic problems; the need to green the economy; as well as social inclusion, our country must improve and maintain highly qualified skills and competencies in order to remain competitive and innovative.

3.2. Demographic change raises important questions about the "composition" of the workforce, both in terms of age and education, and in terms of its preparedness for employment. The issues of "over-qualification" in terms of the jobs offered, as well as the lack of qualifications or skills, along with the uneven distribution of labour by municipalities and districts in a national context, are one of the main reasons for so called mismatch of skills demanded and offered on the labour market, as well as mobility and migration on economic grounds. The ageing population raises the question of the need for its longer retention on the labour market and, accordingly, on the appropriate formats for updating and improving the skills of older workers.

3.3. The employment rate of the population aged 20-64 (Appendix 3) is constantly increasing in the period 2013-2019, and only in 2020. decreases under the influence of the main factor - the COVID-19 pandemic. The data show comparatively good level of employment in Bulgaria, which is higher by 1 percentage point above the average of the EU-27. This achievement is a favourable precondition for the recovery of employment in Bulgaria in the period after the pandemic in the conditions of growing demand for labour. The data show that the crisis situation has had the most negative impact on the employment of the low-skilled and the least on the employment of people with higher education.

3.4. Vocational education and training still does not provide a significant advantage in terms of the transition to the labour market. The data on employment among Bulgarian youth who graduated from vocational schools (66.4%) is slightly lower than that of graduates of general education schools (68.6%). This employment is significantly lower than the EU average, where on average almost 80% of young people with vocational education and training have a permanent job 1-3 years after graduation. In the new EU recommendation for the development of vocational education and training, one of the main goals is: "The share of recent graduates of vocational education and training (VET) who have started work in the last 1-3 years should be at least 82%". EU targets for 2025 and respectively to Bulgaria in the period until 2030 are listed in Appendix 4.

3.5. There is a sharp decline in the number of persons who have acquired a degree of professional qualification (2019 - 17,601 persons compared to 2018 - 26,921 persons). Distributed by degrees of professional qualification (PQ), most persons have acquired first degree - 42%, followed by

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<sup>7</sup> Formal education and training is an organized form of learning for the acquisition of knowledge, skills and competencies, and a state-recognized document is issued for the results of this training.

<sup>8</sup> Non-formal learning is also purposeful and organized, but its successful completion does not lead to the acquisition of a degree and / or a degree. The most common forms of non-formal learning are courses, private lessons, seminars, training workshops, on-the-job training and occupational safety training.

those who acquired third and second degree, respectively 29% and 28%, lastly, with a very low relative share, are persons who have acquired fourth degree - only 0.11%.

3.6. The majority of the persons who acquired the PQ did so in the vocational training centres (VTC) - on average for the period 2014-2019 their relative share is 97%. The remaining 3% have acquired their qualification in vocational high schools and vocational colleges. Examined on the basis of acquired qualifications in private and public educational institutions, the data show that the majority of individuals have acquired their professional qualifications in private institutions - between 80% and 93% in individual years.

3.7. The data of the National Agency for Vocational Education and Training (NAVET) for successful graduates show that the majority of trainees - between 69% and 87% in individual years, have acquired qualifications in only part of the profession. Those who have acquired a degree of professional qualification are much less - between 13% and 31%. This could be an indicator for the use of the trainings, rather for activating the inactive persons and preventing them from falling into isolation, than for a significant increase in the qualification of the persons and improvement of their chances for better employment.

3.8. ESC notes with concern that the training of employees conducted by employers is less developed and is a practice mainly in large enterprises, in contrast to small and medium-sized enterprises. In this regard, it is necessary to provide additional incentives for employers in micro, small and medium-sized enterprises to involve their employees in training in order to improve their qualifications and skills.

3.9. The educational structure of the population aged 25-64 in Bulgaria<sup>9</sup> (Appendix 5), as an indirect statistical measure of the intellectual potential of human resources, is constantly improving. This improvement is reflected in a decrease in the share of the population with primary and lower education and secondary education (including those with a completed vocational college) and an increase in the share of persons with higher education. Higher education is a key prerequisite for the personal prosperity of the working age population and for the development of the economy as a whole.

3.10. Despite the good educational structure of the population in Bulgaria, early school leavers aged 18-24 (Appendix 6) make up a significant share of the working age population in our country and are that part of young people who inevitably suffer from lack of knowledge, competencies and qualifications and face serious and lasting problems in the labour market.

3.11. The low-skilled population aged 15-64 (ISCED 0-2)<sup>10</sup> (Annex 7) is a huge contingent (one in four of the population of this age in the EU) that needs special attention and support from the state and employers to be able to meet the challenges of modern economic development.

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<sup>9</sup> The educational structure of the population is determined by the distribution of the population in different age groups by the highest completed level of education (%) - higher, secondary, primary and lower, according to the degrees or a combination of degrees of the International Standard Classification of Education ISCED 2011. Data source is the European labour Force Survey (LFS)

<sup>10</sup> Persons with primary and lower education.

According to this indicator, Bulgaria is in a more favourable position compared to the average level of the EU-27, with a difference of 3.5 percentage points. The number of low-skilled jobs is decreasing in view of the rapid development of technology.

3.12. Reducing youth unemployment, in order to effectively engage as many young people as possible in the labour market, is central to the political agenda of the EU and our country. During the period 2014-2020 the share of young people aged 15-29 in Bulgaria who are not in employment, education or training (Appendix 8) decreases significantly, and in the conditions of pandemic restrictions employment and their participation in educational activities have been preserved. On the other hand, reducing the share of unemployed and uneducated young people is not enough, as this share for 2020 remains above the EU-27 average.

3.13. One of the most important indicators that will directly affect the quality of the workforce in the context of the development of the digital economy is the share of people aged 16-74 with basic digital skills. The latest data of the Index for the penetration of digital technologies in the economy and society, DESI 2020 determine the unenviable last position of Bulgaria among the EU-27 countries (Appendix 9).

3.14. The Programme for International Assessment of the Functional Literacy of 15-Year-Old Students (PISA) is one of the most important sources of information about the state of Bulgarian education in the situation of the global economy and labour market. The large difference between the share of students with results below the critical second level in Bulgaria and the average for the EU countries for 2018 (approximately 25.4% in reading, 22% in mathematics and 24.9% in science) confirms the persistence of the negative and worrying picture the quality of education in Bulgaria and the need for changes in curricula, teaching methods and the organization of the learning process. In all three studied areas the share of Bulgarian students with low achievements remains permanently one of the highest in the EU (Appendices 10-13).

3.15. The Programme for the International Assessment of Adult Competencies (PIAAC) is a global OECD survey. The main goal is to assess the skills for literacy, mathematics and problem solving in the technological environment of the working age population (aged between 16 and 65 years). Bulgaria does not participate in this study. In view of the rich information provided on the level of skills of adults and the opportunity to compare the quality of adult education in different countries in the situation of global economy and labour market, it is appropriate for our country to be included in the study. The data from this study can be used to plan activities/reforms aimed at improving adult education and training systems (especially vocational training), as well as to initiate activities aimed at improving the qualifications and retraining of various groups of the population.

3.16. The European Skills Index (ESI) is a composite indicator measuring the effectiveness of EU skills systems (Appendix 14). The main objective of the ESI is to acquire skills to reap economic and societal benefits through employment, social inclusion and productivity. Bulgaria ranks 26th in the 2020 edition, among 31 European countries; with poor results in the development of skills (28th place) and the realization of skills (30th place), but has a fairly good performance in

accordance with the skills (8th place). The general assessment is that Bulgaria belongs to the group of countries with "low achievements".

3.17. A Cedefop study<sup>11</sup> on increasing opportunities for adults through ways to improve their qualifications and retraining<sup>12</sup> answers the question: What proportion of adults in Bulgaria are at risk of low qualifications (Annexes 15-18). The following findings and conclusions were made:

- In Bulgaria, the share of adults with a low level of computer and digital skills is high compared to the EU-27 average.
- The share of the adult population with potential for advanced training and retraining is estimated between 35.1% and 48.8% of the total adult population, i.e. between 1.4 and 1.9 million adults, depending on the level of digital competences considered.
- Low levels of qualification are particularly high among people in older age groups and among the unemployed and inactive citizens. Among the total number of adults with potential for advanced training and retraining, the groups listed below represent on average the highest share with low level of qualification in all considered areas (education and digital skills): the unemployed aged 55-64; persons outside the labour force (inactive) aged 35-54 years; the unemployed between the ages of 35 and 54.
- Among the unemployed at greatest risk of low qualifications are people aged 55-64 and 35-54. They have a very high risk of low qualification and low levels of education compared to the national averages and the EU-28 +.

3.18. ESC believes that the share of the adult population with the potential for training and retraining requires immediate action by the government, employers, social partners and civil society, and one of the main challenges is the great diversity of low-skilled adults who can have many different needs and characteristics.

#### **4. Approaches and solutions for acquiring and improving the digital skills of adults**

4.1. Good learning approaches for adults should be complex and consistent with all social systems, such as research, industrial, economic, demographic, social. In this way, the established training policies would cover the maximum number of factors influencing the rapidly changing labour market and the necessary digital competencies that a competitive and adaptive specialist should possess. In building a framework for the acquisition and improvement of skills in adults, all stakeholders who have the tools to build effective training programmes would play a significant role.

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<sup>11</sup> The European Centre for the Development of Vocational Training (Cedefop) is the European Union's core centre for vocational education and training, skills and qualifications.

<sup>12</sup> [https://www.cedefop.europa.eu/files/bulgaria\\_country\\_factsheet.pdf](https://www.cedefop.europa.eu/files/bulgaria_country_factsheet.pdf)

4.2. It is obligatory for the training of adults to be combined and supplemented by other professional skills such as creativity, combinability, analytical thinking. It is in this direction that it is important for the education system to focus efforts on training programmes that form social and civic competencies, which are undoubtedly one of the main groups of key skills. In particular, civic education creates values characteristic of a modern democratic society, suggesting unification, not division. They form a person's worldview and are necessary for his or her successful employment.

4.3. When designing adult education programmes aimed at digitisation, it is necessary to follow the ethical principle of "man has control over machines" (human-in-command), with a specific focus on the labour market. Based on the ethical principle, the courses should also teach topics about digital cultural development, which provides information about the benefits and risks of development in the field of digital technologies.

4.4. An important learning approach for adults is know-how. It is a more specific training and is not widely practiced in the education system. It is not universal knowledge but is applicable only to a specific task. The know-how training is realized by transferring specific knowledge from a competent worker to the trainee. The acquisition of this knowledge by employees in a real work environment would be an important addition to the theoretical knowledge, as it is applied in the implementation of a real work process.

4.5. It is necessary to build and implement systems of digital technologies, including applications, online platforms, software, digital learning materials and methods aimed at improving and expanding the education and training of older people. Online, distance and blended learning are appropriate learning techniques in which technology should be used to support teaching and learning processes.

## **5. Forecasting the needs of the labour market and planning the need for training. List of professions for vocational education and training.**

5.1. Providing up-to-date information on future trends in labour supply and demand is a key direction of action to better match the knowledge and skills of the workforce with the needs of the labour market. The implementation of the adult education policy on the basis of a study of the needs of employers and the labour force is a prerequisite for overcoming the qualitative and quantitative labour market imbalances. Medium-term and long-term forecasts are also made in fulfilment of the responsibilities of the minister of labour and social policy for analysis, research and forecasting of the condition, development and training needs of adults under Art. 58 of the Employment Promotion Act. The expected employment trends in the medium term (2020-2024) are listed in Annex 18, in the long term (2025-2034) in Annex 19<sup>13</sup>, and the main challenges on the labour market - in Annex 20. However, the existing forecasting methods do not contain a full range of required qualifications because they do not include emerging occupations and do not

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<sup>13</sup> <https://mlsp.government.bg/uploads/1/1mforecasts-analysis2-bg1.pdf>

provide detailed information to support the education and training system - for example, forecasts are based on generalizations related to qualifications - "specialists", "technicians", "administrative staff", who in the framework of vocational education and training relate to many professions and specialties.

5.2. The Employment Agency applies various methods with the potential to study the training needs of adults, incl. to acquire a professional qualification, but due to weaknesses in the approaches, each of them and all of them together cannot currently provide sufficient information for the purposes of policy management at the national level. The derivation of training needs based on the analysis of the applications for the announced vacancies in the labour offices risks to shift the focus from the actual needs of the labour market, due to the fragmented share of the agency in the distribution of information about the vacancies. The main challenge for forecasting the needs of the labour market for staff is the lack of information on the real number of jobseekers and the real number of vacancies with the relevant basic characteristics.

5.3. ESC is of the opinion that in order to forecast the development of the labour market and study the needs for labour and training, additional efforts are needed to overcome the existing weaknesses in the analytical, research and forecasting process. The medium- and long-term forecasts for the development of the labour market do not contain an analysis in terms of emerging and disappearing professions and jobs and are not detailed enough to effectively support education and adult learning policies. The design of the survey on employers' labour needs at the district level is not adequate enough, as there is a risk of distorting the results and shifting the focus from the actual needs of the market.

5.4. ESC pays special attention to a current study of BIA<sup>14</sup>, related to the impact of digitalization and technology on different generations. The generation gap affects professional development and productivity, as each generation makes up a certain percentage of the country's workforce. When forming training programmes for digital skills of the population, it is necessary to take into account that different generations have different requirements, understandings and ways of perceiving information. ESC argues that the reported age differences in the preparation of training activities are necessary to achieve the best training results.

5.5. The National Competence Assessment System MyCompetence<sup>15</sup> is an Internet-based information system that provides competency profiles of over 370 key positions in 25 economic sectors, practical e-tools for competence assessment, analysis and assessment of positions and e-learning for competence development. The platform is free and publicly available. Competence

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<sup>14</sup>[https://activeageing.bia-bg.com/media/docs/AA\\_Generations.pdf](https://activeageing.bia-bg.com/media/docs/AA_Generations.pdf)

Representatives of four generations of labour force in Bulgaria:

Generation Z - employees aged 18 - 26, born in 1993 - 2001

Generation Y - employees aged 27 - 39, born in the period 1980. - 1992

Generation X - employees aged 40-54, born in the period 1965 - 1979

Generation T - workers aged 55 - 65 and over, born before 1964

<sup>15</sup> <https://mycompetence.bg/bg/profile/add>

assessment tools can be used by employment agencies in the course of working with jobseekers. The sectoral competency models in MyCompetence describe the current knowledge, skills and competencies that are necessary for the successful performance of key positions and are not intended to provide information on future job needs, so in its current form the system does not act as a tool for the forecasting of skills. ESC proposes that the developed professional standards be used to update the state educational standards for acquiring qualifications in professions and curricula in order to acquire skills and competencies that best meet the requirements of current jobs.

5.6. The list of professions for vocational education and training (LPVET) contains 47 professional fields, 249 professions and about 600 specialties. LPVET was developed 20 years ago and meets the then needs of a register of qualifications. Although the list still performs its functions in terms of formulating professional fields, professions and specialties for the purposes of VET, validation, career guidance, etc., it is not a reliable tool in terms of changing modern skills requirements. It needs to become a modern tool for more closely linking the demand and supply of skills and professions for the needs of digital and green transformation of the economy, society and for personal and professional development in the context of lifelong learning. ESC is of the opinion that the structure of LPVET is too complex and should be simplified by providing opportunities to acquire skills in a short time in accordance with the emerging needs of the labour market.

## **6. Good practices from already implemented reforms for bringing the systems for vocational training, qualification and retraining in line with the development of the labour market and proposals for application of foreign experience in the context of the conditions in Bulgaria**

6.1. Large-scale reforms have been launched in recent years in a number of European countries to bring vocational education, training and retraining systems in line with labour market developments. Appendix 22 to this opinion provides a brief overview of the VET system in three selected EU countries - Poland, Portugal and Finland. The choice of these countries is determined by the recent reforms in VET systems, with the aim of obtaining answers to questions such as the main reasons for change, how countries cope with the conditions of change, what are the chosen modern solutions.

6.2. The examples considered reflect recent changes in the VET system, taking into account the needs of the labour market in a supranational context. The requirements of the labour market for greater flexibility, for the possibility to acquire qualifications, for opportunities for continuous improvement of knowledge and skills within a profession, impose the systems of VET to adapt and propose possible solutions. The main conclusions can be summarized as follows:

- the three countries have reformed VET, with a qualification period of no more than three years;
- the three countries have reduced the number of qualifications that can be acquired;

- in the three countries there are elements of flexible individual learning pathways leading to the acquisition of qualifications.

6.3. ESC proposes to consider the possibilities for introducing the changes made in Bulgaria, specified in p. 6.2., As well as the possibilities for adapting the following practices:

- Poland - introduces a new, so-called "market qualification", which is not regulated by regulations, has been developed by various entities and communities (social organizations, associations, corporations or other groups) based on their experience. In these qualifications / professions, the training in part of the profession and the validation of professional knowledge, skills and competencies are widely represented. Market qualification is not regulated by law and is awarded on the principle of economic freedom.
- Portugal - Introduces an online platform for visual presentation and integration of all information on qualifications (professions and specialties), where all documents related to the acquisition of professional qualifications are attached. There is a commitment to full transparency of qualifications, which improves access to VET, stakeholder awareness and facilitates the process of validating competencies and identifying training needs. This visualization model makes a direct link between the qualification standard and the ways to acquire a professional qualification through training programs or the validation standard.
- Finland - A key aspect of the reform in Finland is its competence-based approach, in particular the introduction of individual curricula for all learners. Individual programmes include information to identify and recognize competencies acquired from previous learning, competency tests, guidance and support for completing a full qualification or additional skill set, for both young people and adults already working. Based on this approach, learners learn only what they do not yet know. The model of the so called "broad qualifications" is introduced.

6.4. ESC emphasizes that the presented practices are for informational purposes and represent only ideas and directions that can be considered, but the specific conditions in Bulgaria should also be taken into account, and before their introduction it is mandatory that they are tested. A good idea or practice, no matter how effective it may seem, taken out of context and automatically transferred to other conditions, may prove ineffective.

/signed/

Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL

APPENDICES:

**Appendix 1.** European Skills Programme Targets

<b>Indicators</b>	<b>Targets for 2025</b>	<b>Current level in the EU</b>	<b>Current development in Bulgaria</b>
<b>Participation of adults aged 25-64 in training for the period of 12 months</b>	<b>50 %</b>	<b>38 % (2016)</b>	<b>24,6% (2016)</b> <b>Target 2030 - 33 %</b>
<b>Participation of low-qualified persons aged 25-64 in training for the period of 12 months</b>	<b>30 %</b>	<b>18 % (2016)</b>	<b>7,6% (2016)</b>
<b>Share of unemployed adults aged 25-64 who have participated recently in training</b>	<b>20 %</b>	<b>11 % (2019)</b>	<b>Insignificant share under 1%</b>
<b>Share of adults aged 16-74 who have at least basic digital skills</b>	<b>70 %</b>	<b>56 % (2019)</b>	<b>29%</b> <b>Target 2030 - 37%</b>

**Appendix 2.** Participation of the population aged 25-64 in formal and non-formal education (4 weeks before the survey), relative share -%

<b>Bulgaria</b>								<b>2020- EU27</b>
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>2.0</b>	<b>1.6</b>	<b>9.2</b>

Source: Eurostat, database - online code trng\_lfse\_01

**Appendix 3.** Employment rate of the population aged 20-64 years in total and by levels of education %, 2013-2020

	Bulgaria								2020- EU27
	2013	2014	2015	2016	2017	2018	2019	2020	
<b>Total</b>	63.5	65.1	67.1	67.7	71.3	72.4	75.0	73.4	72.4
<b>Primary or lower level of education</b>	36.9	38.6	39.0	39.2	44.4	46.2	51.2	48.1	55.1
<b>Secondary education</b>	64.7	66.3	68.3	68.9	72.8	73.9	76.0	74.0	72.2
<b>Higher education</b>	80.7	81.7	84.0	84.2	85.5	86.1	88.5	87.6	84.0

Source: Eurostat, database - online code lfsi\_emp\_a

**Appendix 4.** EU targets set in the Recommendation on Vocational Education and Training for the period up to 2025 Current level and strategic indicator of Bulgaria for the period up to 2030

Target 2025 EU	Current development in the EU - 2019	Target 2030 Bulgaria	Current development in Bulgaria
The share of recent VET graduates who have started working in the last 1-3 years should be at least 82%	77.6%	80%	68.6%
60% of recent VET graduates to benefit from work-based learning	-	-	-

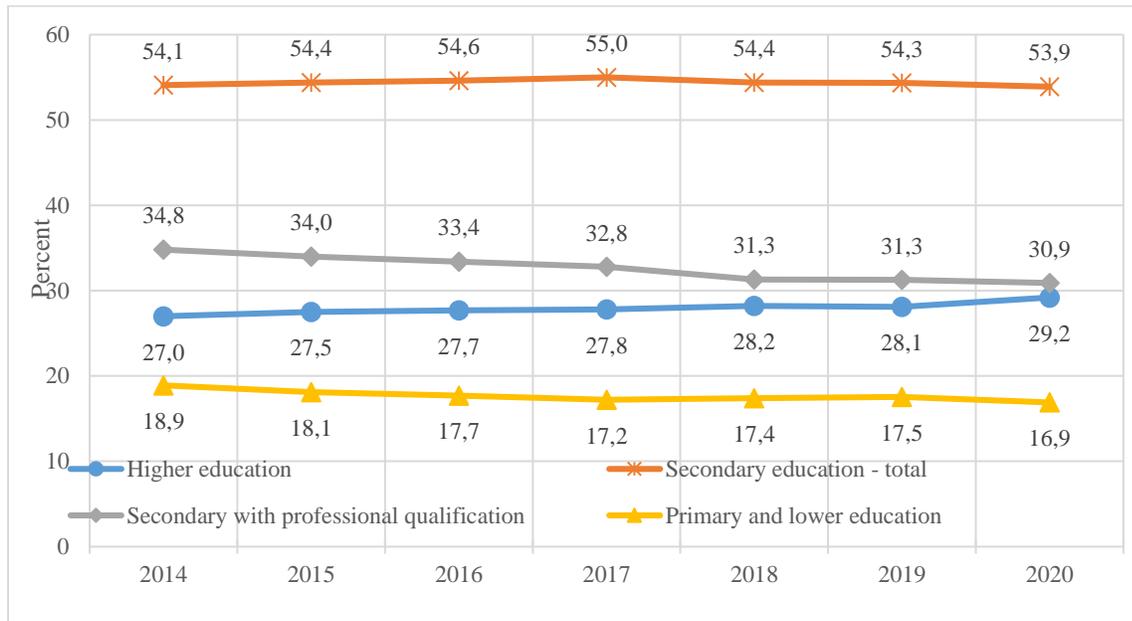
**8% of VET students to benefit from educational mobility abroad**

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### Appendix 5. The educational structure of the population aged 25-64 in Bulgaria



Source: NSI, Labour Force Survey and Eurostat, database, online code edat\_lfse\_03

### Appendix 6. Early school leavers aged 18-24 years %, 2013-2020

Bulgaria								2020- EU27
2013	2014	2015	2016	2017	2018	2019	2020	
12.5	12.9	13.4	13.8	12.7	12.7	13.9	12.8	10.1

Source: Eurostat, database - online code SDG\_04\_10

### Appendix 7. Population aged 15-64 with low qualification (ISCED 0-2) %, 2014-2020

	2014	2015	2016	2017	2018	2019	2020
<b>EU 27</b>	28.4	27.9	27.4	26.9	26.3	25.7	25.0
<b>Bulgaria</b>	22.6	22.2	21.9	21.4	21.5	21.9	21.5

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Source: Eurostat

**Appendix 8.** Relative share of young people aged 15-29 in Bulgaria who are not in employment, education or training



Source: Eurostat

**Appendix 9.** Share of persons aged 16-74 with basic digital skills

	2015	2016	2017	2019
<b>Bulgaria</b>	<b>31</b>	<b>26</b>	<b>29</b>	<b>29</b>
<b>EU 27</b>	<b>54</b>	<b>54</b>	<b>55</b>	<b>56</b>

Source: Eurostat, database - online code teprs\_sp410

Index for the penetration of digital technologies in the economy and society, DESI, 2016 - 2020

Indicators	BULGARIA					EU
	2016	2017	2018	2019	2020	2020
<b>Dimension "Human capital"</b>						
<b>At least basic skills in the area of digital technologies</b>	<b>31%</b>	<b>26%</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>58%</b>
<b>Digital skills above basic ones</b>	-	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>33%</b>
<b>At least basic software skills</b>	-	<b>28%</b>	<b>31%</b>	<b>31%</b>	<b>31%</b>	<b>61%</b>

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<b>Specialist in ICT</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.7%</b>	<b>2.3%</b>	<b>3.0%</b>	<b>3.9%</b>
<b>Women specialists in ICT</b>			<b>1.7%</b>	<b>1.3%</b>	<b>1.8%</b>	<b>1.4%</b>
<b>Graduates in the area of ICT</b>			<b>3.1%</b>	<b>2.9%</b>	<b>3.7%</b>	<b>3.6%</b>
<b>Ranking among EU28 countries</b>	<b>27</b>	<b>27</b>	<b>26</b>	<b>28</b>	<b>26</b>	
<b>Dimension “Use of internet services”</b>						
<b>Persons who have never used the Internet</b> % persons	-	<b>33%</b>	<b>30%</b>	<b>27%</b>	<b>24%</b>	<b>9%</b>
<b>Internet users</b> % persons	-	<b>58%</b>	<b>62%</b>	<b>64%</b>	<b>67%</b>	<b>85%</b>
<b>News</b> % internet users	<b>70%</b>	<b>68%</b>	<b>74%</b>	<b>74%</b>	<b>66%</b>	<b>72%</b>
<b>Social media</b> % internet users	<b>74%</b>	<b>76%</b>	<b>79%</b>	<b>79%</b>	<b>78%</b>	<b>65%</b>
<b>Professional social media</b> % internet users	-	<b>7%</b>	<b>3%</b>	<b>3%</b>	-	<b>15%</b>
<b>Participation in online courses</b> % internet users	-	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>11%</b>
<b>Ranking among EU28 countries 28 according to DESI, dimension “Use of internet services”</b>	<b>23</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	
<b>Ranking among EU28 countries 28 according to DESI, dimension “Introduction of digital technologies”</b>	<b>23</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	
<b>Ranking among EU28 countries 28 according to DESI, dimension “Digital public services”</b>	<b>23</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>23</b>	
<b>Ranking among EU28 countries 28 according to DESI, dimension “Connectivity”</b>	<b>23</b>	<b>21</b>	<b>24</b>	<b>26</b>	<b>26</b>	
<b>Ranking among EU28 countries 28 according to DESI</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>28</b>	<b>28</b>	

**Appendix 10.** Share of students (%) in Bulgaria and the EU who achieved results below the second critical level on the PISA scale in reading literacy, mathematics and science knowledge

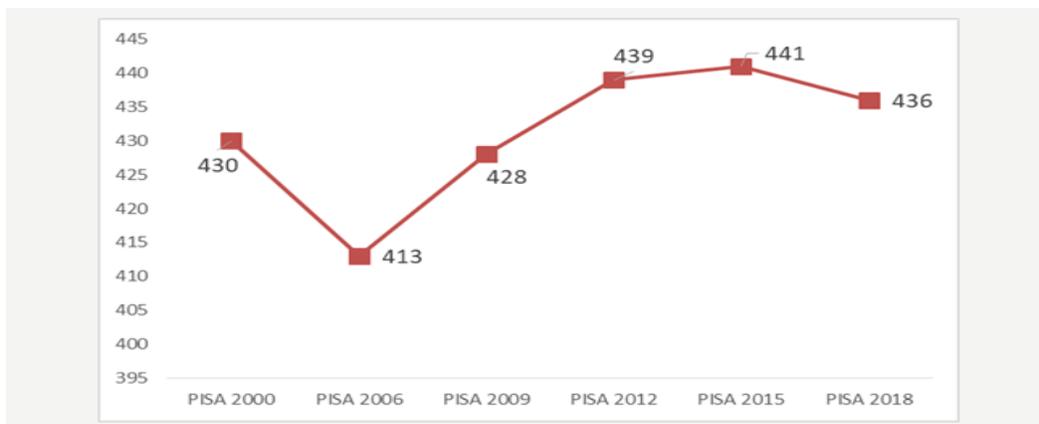
	2012	2015	2018
<b>Functional literacy</b>			
<b>Reading literacy - Bulgaria</b>	<b>39.4</b>	<b>41.5</b>	<b>47.1</b>
<b>Reading literacy – EU 28</b>	<b>17.8</b>	<b>19.7</b>	<b>21.7</b>
<b>Mathematics - Bulgaria</b>	<b>43.8</b>	<b>42.0</b>	<b>44.4</b>
<b>Mathematics - EU – 28</b>	<b>22.1</b>	<b>22.2</b>	<b>22.4</b>
<b>Natural sciences – Bulgaria</b>	<b>36.9</b>	<b>37.9</b>	<b>46.5</b>
<b>Natural sciences – EU 28</b>	<b>16.6</b>	<b>20.6</b>	<b>21.6</b>

Source: Eurostat

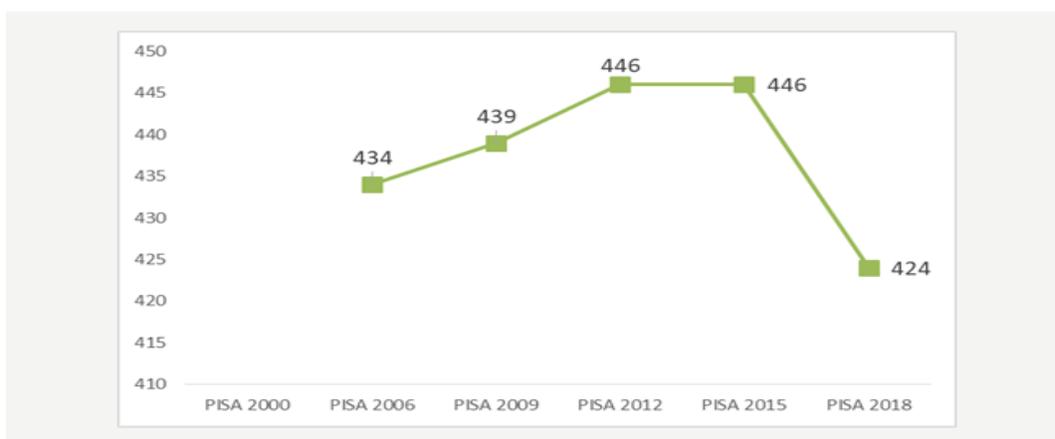
**Appendix 11.** Comparison between the average reading results of Bulgarian students in PISA 2000, 2006, 2009, 2012, 2015 and 2018



**Appendix 12.** Comparison between the average results in mathematics of Bulgarian students in PISA 2000, 2006, 2009, 2012, 2015 and 2018.



**Appendix 13.** Comparison between the average results in natural sciences of Bulgarian students in PISA 2000, 2006, 2009, 2012, 2015 and 2018



**Appendix 14.** Structure of the European Skills Index

EUROPEAN SKILLS INDEX					
Development of skills		Realization of skills		Relevance of skills	
Primary education	Education or other training	Transition to work	Participation in the labour market	Utilization of skills	Mismatch of skills
Relationship between teacher and student in preschool age	Recent education	Early school leavers	Percentage of activity /age 25-64 /	Long-term unemployment	Percentage of overqualification Процент на /higher education/

Completion of secondary or higher education	Training in VAT	Recent graduates who have started employment	Percentage of activity /aged 20-24 /	Part-time workers	Low-wage workers /ISCED 5-8/
Reading, mathematics, scientific knowledge	High-level computer skills				Mismatch in qualification

**Appendix 15.** Unemployed adults: absolute risk of low qualification by age and type of qualification, Bulgaria

Age	Education	Digital skills	Literacy	Arithmetic
55-64	41.6	96.5	No data	No data
35-54	37.0	90.0	No data	No data
25-34	28.8	75.4	No data	No data
<b>Total 25-64: Average for Bulgaria</b>	17.8	67.9	No data	No data
<b>Total 25-64: Average for Europe</b>	23.2	43.3	20.8	24.3

**Appendix 16.** Inactive adults: absolute risk of low qualification by age and type of qualification, Bulgaria

Age	Education	Digital skills	Literacy	Arithmetic
35-54	43.0	85.5	No data	No data
55-64	29.7	95.0	No data	No data
25-34	39.3	51.5	No data	No data
<b>Total 25-64: Average for Bulgaria</b>	17.8	67.9	No data	No data

<b>Total 25-64: Average for Europe</b>	23.2	43.0	20.8	24.3
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**Appendix 17.** Working adults: absolute risk of low qualification by age and type of qualification, Bulgaria

Age	Education	Digital skills	Literacy	Arithmetic
<b>55-64</b>	11.4	75.3	No data	No data
<b>35-54</b>	10.4	61.1	No data	No data
<b>25-34</b>	8.5	41.8	No data	No data
<b>Total 25-64: Average for Bulgaria</b>	17.8	67.9	No data	No data
<b>Total 25-64: Average for Europa</b>	23.2	43.0	20.8	24.3

**Appendix 18.** Share of women with low level of qualification aged 25-64 to the general low-skilled population in %

Women aged 25-64 г.	Low level of education	Low level of digital skills
Absolute risk of low level of qualification in women aged 25-64	17.3	66.5
Relative risk of low level of qualification in women aged 25-64	97	98 (48.6)
Relative risk: unemployment in women aged 25-64	189	127 (11.2)

Relative risk: inactive women aged 25-64	198	125	(12.8)
Relative risk: working women aged 25-64	48		81 (24.5)

#### Appendix 19. Medium-term forecasts (2020-2024)

Decrease in the number of working-age population by 3.7% - 2024: 4.3 million people aged 15-64	Decrease in employment by 0.9% - 2024: 3.1 million employed aged 15-64
Increasing the share of people with higher education in the population; reducing the share of people with primary and lower education 2024: 25.4% of persons with higher and 26.5% of persons with primary and lower education in the population (15-64 years)	Structural deficit of persons with secondary education 2024: 149 thousand jobs for people with secondary education will be occupied by people with higher or people with primary and lower education

#### Appendix 20. Long-term forecasts (2020-2034)

<b>Working age population - 11.3%</b>	<b>Employment - 6.0%</b>	<b>Share of employed persons aged 55+ - 23%</b>
<b>Sectors with the highest employment:</b> - Manufacturing industry; - Trade; - Construction	<b>Sectors with an increasing role in the labour market:</b> - Education; - Healthcare; - Manufacturing industry	
<b>Sectors in which the largest reduction in employment is expected:</b> - Trade; - Hotels and restaurants; - Mining industry	<b>Sectors with the largest deficit of human resources with secondary education:</b> - Hotels and restaurants; - Administrative and support service activities; - Education	

#### Appendix 21. Main challenges on the labour market in the medium and long term

**Continued decline in the working age population and an ageing workforce.** These demographic processes have and will continue to have an adverse impact on the labour market and will have a negative impact on the potential GDP and economic growth of Bulgaria in the long run.

**Low technological intensity of economic activities.** Over the last decade, there has been almost no overcoming of the technological backwardness of the Bulgarian economy compared to the average levels in the EU 28 in terms of employment structure. This problem is key in understanding the emerging trends in terms of the most sought-after occupations, key sectors, regional inequalities in the labour market, etc.

**Structural shortage of qualified staff with secondary education and structural surplus of employees with primary and lower and higher education.** Precisely due to the technological backwardness of the economy, the structure of employment by economic activities is such that the majority of employees are engaged in the sectors of manufacturing, trade, repair of motor vehicles and motorcycles and construction, and the demand for skilled labour in these sectors refers mainly to persons with secondary education.

**Lagging behind in the development of the education and healthcare sectors compared to the other EU Member States.** Significant lag in wage levels in almost all economic activities and in almost all professions, both compared to the EU average and the average for the other Member States of Central and Eastern Europe.

**Strengthening regional imbalances in the labour market.** The expected contraction in employment will affect all regions, and the observed inequalities in pay will further stimulate internal and external migration of the working population. All this will lead to a deepening of the structural discrepancies in those regional labour markets, which are characterized by relatively lower levels of wages and lag behind in their socio-economic development compared to the leading regions in Bulgaria.

**Appendix 22.** Good practices for implemented reforms in order to bring the systems for vocational training, qualification and retraining in line with the development of the labour market

Poland
Legislative changes in recent years in Poland emphasize that the purpose of vocational education and training is to prepare students to perform professional work in the conditions of active functioning of the changing labour market. The division of qualifications into separate professions and the creation of conditions for acquiring additional professional skills, as well as additional professional or market qualifications, functioning in the integrated qualification system at the end of school education, are the main elements of the flexible response of the vocational education system to the needs. the labour market, its openness to lifelong learning and the educational and professional mobility of graduates.

On 15 February 2019 a new Ordinance of the Minister of Education on the general goals and objectives of education in vocational education professions and the classification of vocational education professions was adopted, which came into force on 1 September 2019. The new structure of the classification of occupations for vocational education takes into account the division of occupations by sectors. These professions are divided into industries, taking into account the specifics of professional skills or the extent to which these skills are used in the performance of professional tasks. The ordinance and its classifier take into account the professions introduced so far in vocational education and training, introduce changes in the scope of some professions, and also define new professions introduced in the education system - based on the conclusions of the relevant line ministers. On 16 May 2019 An ordinance of the Minister of Public Education on the basic curricula for vocational education and additional professional skills in the field of selected professions in vocational education were promulgated. The ordinance defines the basic curriculum for 215 professions included in the classification of professions for vocational education, divided into 32 branches, as well as additional professional skills in the selected professions. The document contains suggestions for additional professional skills that the school can choose as additional training in a given profession. For example, an ICT technician may acquire additional skills in network security or Python programming, a waiter may acquire barista skills, and a gardener may acquire viticulture skills. These are elements that are a response to the real demand on the labour market.

In Poland, there is the following categorization of qualifications/occupations:

- full qualification / profession - a qualification that is acquired only within the formal system of vocational education, after the trainee has achieved the necessary learning outcomes, acquired at certain stages of education;
- regulated qualification / profession - qualification established by legal provisions outside the official VET system;
- market qualification / profession - a qualification that is not regulated by regulations, developed by various entities and communities (social organizations, associations, corporations or other groups) based on their experience. In these qualifications / professions, the training in part of the profession and the validation of professional knowledge, skills and competencies are widely represented.

In Poland, there is a distinction between full and partial (market) qualifications. The reason for this is to distinguish between the qualifications related to the assimilation of learning outcomes achieved in a multi-year training cycle, related to the completion of a certain educational level, and the qualifications related to the assimilation of smaller groups of learning outcomes.

The second criterion for distinguishing the categories of qualifications is the legal basis for the validation process:

- the process of awarding qualifications in the formal vocational education system (Oswiaty system) is regulated by the School Education Act;
- the process of awarding qualifications in higher education is regulated by the Higher Education Act;
- regulated qualifications are related to specific legal acts, but are not awarded in the formal (school) education system;

- market qualification is not regulated by legal acts and is awarded on the principle of economic freedom.

Depending on the type of qualification, there are different procedures for their inclusion in the Integrated Register of Qualifications<sup>38</sup> (IQR):

- full and partial qualifications, within the official general and vocational education (Oswiaty system) and full qualifications awarded at the university, are automatically included in the IQR;
- partial qualifications for higher education (postgraduate specializations) are included in the IQR by decision of higher education institutions, research institutions of the Polish Academy of Sciences or research institutions authorized to provide postgraduate research;
- regulated qualifications, which are always partial, are included in the IQR by decision of the relevant minister;
- market qualifications, which are also always partial, are included in the IQR on the basis of the approval of the relevant Minister following a procedure starting with applications from the interested party.

It should be noted that market qualifications can be awarded by institutions that also award full, partial and regulated qualifications in the formal education system. For example, a university or vocational school may decide to develop a short training program (in response to a request from an employer) ending in a qualification.

Market (unregulated) qualifications can be included in the Integrated Qualifications Register (IQR) at the request of entities engaged in economic, labour market, education or training activities. For example, a separate private company, an organization of entrepreneurs in the construction industry, an association of shoe manufacturers, an association of training companies and others. The idea is that the system is open to different qualifications and stakeholder groups. The entry of a qualification in the integrated register means that the authenticity of such a qualification has been confirmed by the public authorities and that a qualification has been assigned at the level of the Polish Qualifications Framework.

#### Portugal

In 2016 VET reform was introduced, which had an impact on qualifications in structural terms and in terms of the way they are acquired outside school education. Until 2014, there were about 450 centres for "new opportunities" - they were successively replaced by centres for qualification and vocational training, which in turn in 2016 were replaced by centres for qualification (Qualifica Centros), reducing their number - due to consolidation and restructuring around 300 centres remain operational, in line with new legislation. The ordinance, which regulates the establishment and organization of the regime and functioning of Qualifica Centros, has been in force since August 29, 2016. The main target group of these centres are the elderly, as well as the so-called NEETs<sup>35</sup>). The licensing procedure is similar to that of the VTC in Bulgaria, but one of the evaluation criteria is the location of the centre. The authorization ("license") is granted for a period of 3 years, which can be extended by the same amount (an application is submitted 2 months before the expiry of the period). Qualifica Centros must have

a coordinator, career counselling and validation specialists, teachers of key and professional competencies. There are detailed requirements for each of the three groups set out in the Ordinance of August 29, 2016. Qualifica Centros are responsible for:

- information, consulting; training on the basis of separate modules of whole qualification;
- recognition and certification of skills;
- communication campaigns aimed at young people and the elderly, businesses and other employers, on the provision of education and training, as well as on the relevance of training to the requirements of the labour market;
- the promotion of VET and participation in a partner network;
- monitoring of the learning paths chosen by the learners.

The National Agency for Qualifications and Vocational Training (ANQEP) is also supported by 16 sectoral qualification councils, which are involved in defining qualifications and competencies, as well as in including new qualifications in the national qualifications catalogue and updating existing ones. The councils are composed of social partners, training providers from the national qualifications system, entities responsible for regulation of professions; public structures that control the business sectors; technology and innovation centres and companies. We are currently working on the revision of the qualification standards into units of learning outcomes (ULO). ULOs serve as a basis for training at Qualifica Centros and are mainly modular.

In 2007 the reform of vocational training in Portugal leads to a change in VET policies and gives rise to the National Qualifications System (Sistema Nacional de Qualificações - SNQ). The latter was revised in January 2017. and represents a milestone in the development of the qualifications system in Portugal and its alignment with EU policies.

#### Finland

In 2017 started the implementation of a comprehensive reform of VET in order to provide flexible pathways for trainees, as well as the idea to introduce separate schemes for funding and further development of on-the-job training. The reform is related to the adoption of entirely new legislation in the VET system, which entered into force on 1 January 2018<sup>16</sup>.

The growing need for skills, the high share of the unemployed of working age and the low employment levels of the low-skilled are at the heart of VET reform in Finland. Improving the image of vocational education and training is one of the goals of this large-scale reform. Other objectives are to ensure access to VET and to strengthen the role of lifelong learning in line with the Council Recommendation of 19 December 2016 on skills development: new opportunities for adults.

<sup>16</sup> Laki ammatillisesta koulutuksesta (Vocational Education and Training Act in Finland, in force since 2018) - <https://www.finlex.fi/fi/laki/alkup/2017/20170531>

A key aspect of the reform is its competency-based approach, in particular the introduction of individual competency-based curricula for all learners. Individual programmes include information to identify and recognize competencies acquired from previous learning, competency tests, guidance and support for completing a full qualification or additional skill set, for both young people and adults already working. Based on this approach, learners learn only what they do not yet know. Their previous experience and competencies are assessed at the beginning of the training by the teacher and / or guidance counsellor. Qualification requirements are evaluation criteria. The time required to complete a qualification is further determined by the choice made by the trainer and the manner of conducting and completing the training. The other novelty is the possibility that if a new competence sought in the labour market appears, not to go through a procedure for introduction of a new qualification, and new elective modules to be added to existing qualifications - this reduces the time for acquiring new competencies. Prior to the reform, a new qualification is created for each new desired competence sought by the business, which is associated with a significant administrative burden. The reform is supported by a new unified system for financing secondary vocational education, continuing vocational training, adult training and employee training leading to qualifications. Thus, the reform supports the various existing educational pathways and includes core funding (50% of total funding based on the number of learners), funding for outcomes (35%, based on the number of completed qualifications and units) and funding for efficiency based on learners' transition to employment, the search for further education and feedback from learners and employers). The reform is in force in early 2018. and will gradually cover the entire VET system by 2022.

As part of the VET reform, the number of professional qualifications has decreased from 351 to 164. The new qualification structure, based on the idea of a broader qualification, is expected to allow individual learners to better organize the development of their competence in a more flexible way and in accordance with the changing requirements of professional life. Fewer qualifications have been introduced, but with many more elective modules, as well as the opportunity to specialize within the qualification.

In recent years, the country has focused on the qualifications and retraining of the workforce in the use of digital technologies<sup>17</sup>. Unemployed persons are included in university or polytechnic training, being given the opportunity to keep unemployment benefits for up to 24 months, or for the duration of the training. Other new policies for the development of digital knowledge are the granting of subsidies for the payment of workers included in qualification and retraining programs. A good approach is financial incentives for companies that provide digital training for their employees. Finland provides tax relief of 50 percent of the average salary costs from training days for companies that do at least three days of employee training per year.

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<sup>17</sup> Porkka, P. (2015), "labour market training in Finland", Background document prepared for the review of Adult Learning and Skills in Finland, Ministry of Employment and the Economy; TE Services (2015), "Vocational labour market training"; [http://www.teservices.fi/te/en/jobseekers/career\\_education\\_training/vocational\\_labour\\_market\\_training/index.html](http://www.teservices.fi/te/en/jobseekers/career_education_training/vocational_labour_market_training/index.html) (accessed on 18 September 2015)