

DYNAMICS OF EDUCATION EXPENDITURES IN BULGARIA

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Abstract

Education occupies an important place in society since ancient times. Today it is one of the key areas in people's social life. It has strategic importance and can be defined as a universal phenomenon characterized by a high degree of complexity. Through education, people develop their physical, intellectual and moral abilities, upgrade their knowledge and their skills. The results of education are usually seen at a later stage, only when people start applying what they have learned in their work. In this regard, we can say that there is a delayed return on invested funds. However, without education, it would be difficult to build a more sustainable and fair world for all. In this regard, education is a priority of every country, regulated in special laws and other normative acts. It is a field for which special budgets are formed, providing financial means to ensure its existence and development. Within the EU, specific targets are set, that member countries must strive to meet, directly linked to their GDP.

The purpose of this article is to analyze the education costs made by the public and private sectors in Bulgaria for the period 2000-2019 and to track the dynamics in the number of educated persons in various educational levels.

Keywords: education, public and private expenses, Bulgaria

1. INTRODUCTION

The processes of globalization of the world and the dynamic development of technologies place new demands on people's knowledge, skills, and abilities. This supposes the adaptation of education expenditures to the changed conditions. Education is also one of the areas that have a strategic importance for overcoming the consequences of the Covid-19 pandemic (R. Dragoeva 2022). Practically, increasing the funds allocated to education can be seen as an important prerequisite for further prosperity. Furthermore, investing in education has a long-term nature and its return is continuous in the long run. Due to this reason, the role of the state is determined through its policy in the area and is of great importance.

2. EDUCATION NOWADAYS

2.1. Peculiarities of the Education in Bulgaria

Education has its significant spot in the development of society since the beginning of its existence. In general, it can be defined as a process of transfer of knowledge, habits, customs, values and experience to each succeeding generation. From an etymological point of view, the concept has a Latin origin, “*educere*”, which means “take out”, “draw out”, as well as “I will bring up” (Mark Sanchez 2021). Today, we can characterize education as a peculiar phenomenon of people's social life, which has a universal and complex character. We can observe it in two basic varieties - formal and informal education. The main distinction between them should be the fact that in the first case, the educated people receive a special document (diploma, certificate) that proves their qualification. In this regard, formal education, also defined as official education, has its specifics in different countries. The general characteristic, however, comes down to

systematicity, for the achievement of which special educational centers and institutions of a public and private nature were formed, in which people and bodies with officially demonstrable competences work.

Non-formal education enables the acquisition of knowledge and skills on a daily basis and basically refers to different habits, norms, traditions, values, etc. Their source is, on one hand, the family, and on the other, society as a whole. In general, it begins with the birth of a person and continues throughout his life, having different manifestations and degrees of significance.

For its part, formal education, as its name indicates, is based on specially developed normative documents that regulate its implementation. It is directly dependent on a person's age, as a result of which the following stages of formal education have been formed in Bulgaria: preschool (kindergarten), elementary, primary, secondary, university education (BA), continuous education. The first stage (preschool education) is generally consists of the formation of motor skills, sociability and coordination, acquired in specialized children's facilities, adapted to the age range from 2/3 to 6/7 years - nurseries and kindergartens.

In accordance with Bulgarian legislation, school education is compulsory until the age of 16 (Law on preschool and school education. 2022). In terms of degree, schooling can be primary and secondary. Basic education covers grades I-VII and is divided into two stages:

- Primary stage, starting at the age of 6 or 7 and lasting four years (grades I-IV);
- Junior high school stage (grades V-VII inclusive).

According to the legislation in Bulgaria, secondary education can be acquired in two degrees:

- First high school stage (VIII-X class);
- Second high school stage (XI-XII grades).

On the other hand, the Law on Pre-School and School Education in Bulgaria also regulates the differentiation of school education according to the preparation students receive, in three directions: general, profiled and professional. General education is mainly obtained through training for the acquisition of general education and advanced training. In the first and second high school stage and through general education, profiled training and supplementing with extended training, carry out profiled and professional education. In the course of school education, students acquire knowledge and skills in various fields: humanitarian science, mathematics, technological science, civic education.

Higher education is already aimed at training people to practice a certain profession in specialized fields of work or preparing them for research work. There are four levels of higher education – specialization, bachelor's, master's and doctoral degrees.

Continuous education corresponds directly to the lifelong learning strategy. Its main purpose is to expand people's knowledge, including forming new skills required by global changes worldwide and emerging new professions.

A characteristic feature of school education is publicity and the commitment of the state to guarantee its compulsory and free nature. However, in the last two decades in Bulgaria there is also the possibility of obtaining education in individual degrees and in private institutions that have received accreditation from specialized bodies. Regardless of whether education is public or private, it must meet legal and regulatory requirements for quality and social commitment.

Depending on the way the educational service is provided, the form of training may be in a real classroom (or university auditorium), remote learning (online) or mixed learning. The results of each of these varieties should correspond to the set requirements and goals. Conducting training in the real classrooms of educational institutions allows continuous direct contact and interaction between trainers and trainees. The development of technology has led to the emergence of remote (online) learning in specialized web-based platforms allowing learning from a distance, characterized by its advantages and disadvantages respectively. The combination between these two varieties leads to the emergence of mixed education.

The emergence of Covid 19 at the beginning of 2020 and the restrictions that the pandemic imposed, created a favorable environment for the development of remote learning through specially developed platforms that allow conducting a distance learning process. The Ministry of Education and Science in Bulgaria responded adequately to the newly created situation in the spring of 2020, as a result of which the digitalization processes of educational institutions in the country were accelerated.

2.2. Funds Invested in Education in Bulgaria

The funds used for the development of each sector represent costs for those entities that provide them. In this regard, we can point out that the costs of education, training and science in general can be of public or private origin. Regardless of their origin, we can point out that they have the character of investments in the human factor, the quality of which is of leading importance for the development of the economy, especially today with the rapid progress of technology. The benefits of the investments made start to accrue at a much later stage, with the result that education is not a preferred sector for investment. In this regard, the accepted practice is for the state to look for ways to cover compulsory forms of education through state spending. The quality of the workforce is decisive for the general level of development of any country, which is why education is an important priority of the state. Several groups of expenses are included in the "education expenses" column, as follows:

- Staff expenses;
- Material base expenses;
- Costs of training and qualification of the pedagogical staff;
- Research expenses.

Funds invested in education are of decisive importance for the level of quality of life of people. That is why for the period 2017-2021 in Bulgaria, the expenditure on education increased from 3.6% in 2017, 3.9% in 2020 to 4.5% of GDP in 2021. Preschool and school education has been priority.

According to Eurostat's data, Bulgaria's goals according to the "Bulgaria 2030" strategy are:

- Over 96% of children in early childhood (4-7 years old) to be part of education;
- The diagnosed weak skills in the field of digital technologies, as well as reading, math and science skills to be below 15% of all students;
- Students who leave the education system prematurely, aged 18-24 should be below 9%;
- People with higher education in the 25-34 age group should be no less than 45% in 2025;
- The share of people aged 25-64 participating in various training programs must reach at least 47% by 2025;
- The total percentage of workers who participated in continuous education should reach 60% or more.

The tracking of the expenses that the public and private sectors make in the field of education for the period 2010-2019 in Bulgaria shows that there is a growing trend. The invested funds for 2019 are 1.68 times more than those reported for 2010 (see Fig. 1).

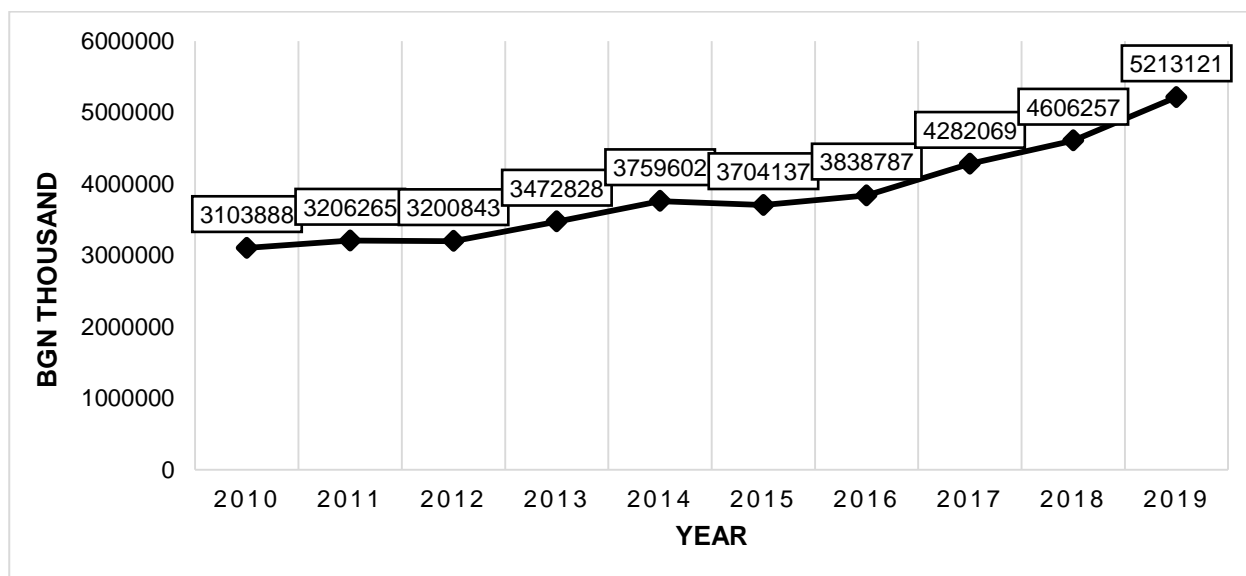


Fig. 1. Dynamics of public and private education expenditures in Bulgaria (2010-2019)

The highest costs are in the field of higher education, one of the reasons for which is the financing of the research activities of those employed in it (see Fig. 2).

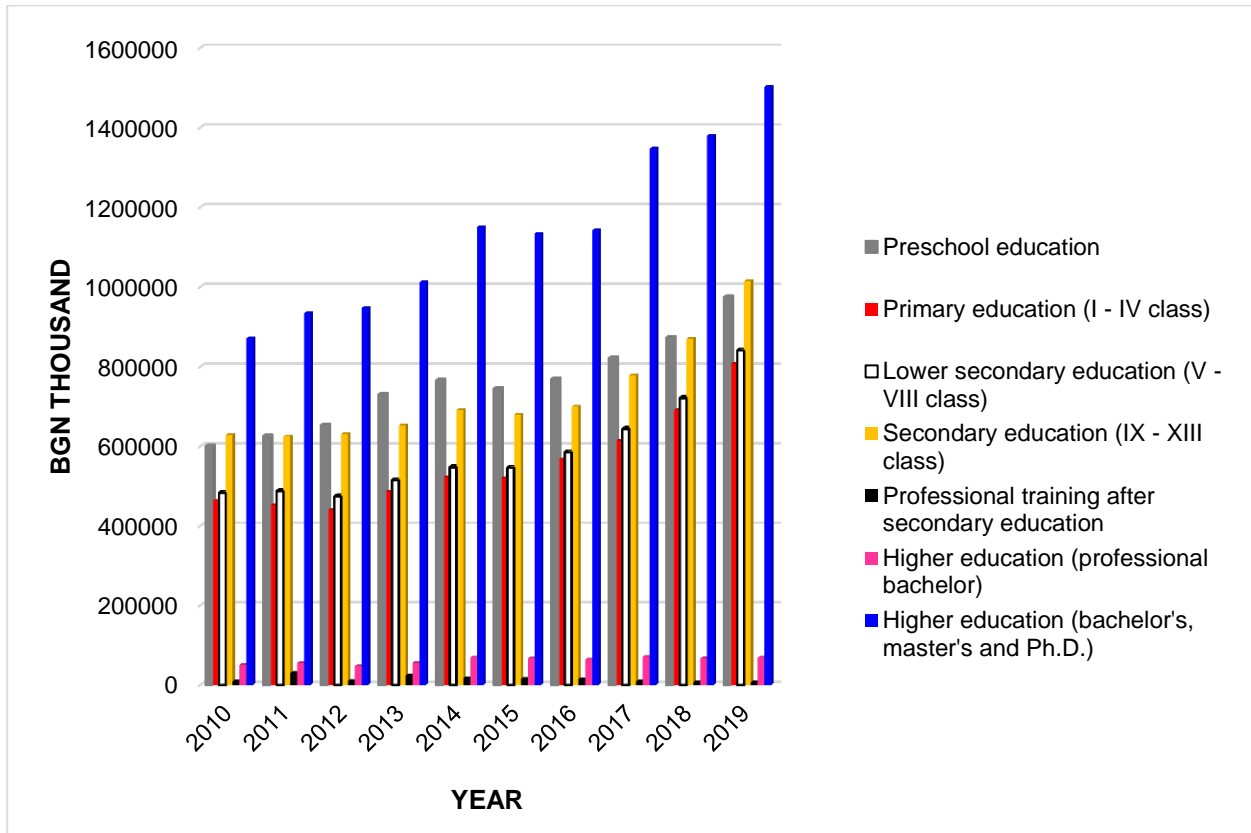


Fig. 2. Distribution of public and private expenses by education levels in Bulgaria for the period 2010-2019.

The analysis of public expenditure on education in Bulgaria indicates that between 70% and 75% of the financing of education in schools is provided by municipal budgets (Financial investments of the Bulgarian State in children 2021). The significant increase of these funds for the period 2017-2021 is impressive (see Fig. 3). In the sphere of school education in Bulgaria, the municipalities have a greater weight, for which the Ministry of Education and Science takes care of additional support in the financial aspect. As of 2021, the funds delegated to municipal administrations for education have increased by 1.7 times, while those from the Ministry of Education and Science marked a 2-fold increase compared to the beginning of the considered period (2017). Part of these funds are intended to increase the salaries of the teaching staff in order to improve their social status in the country.

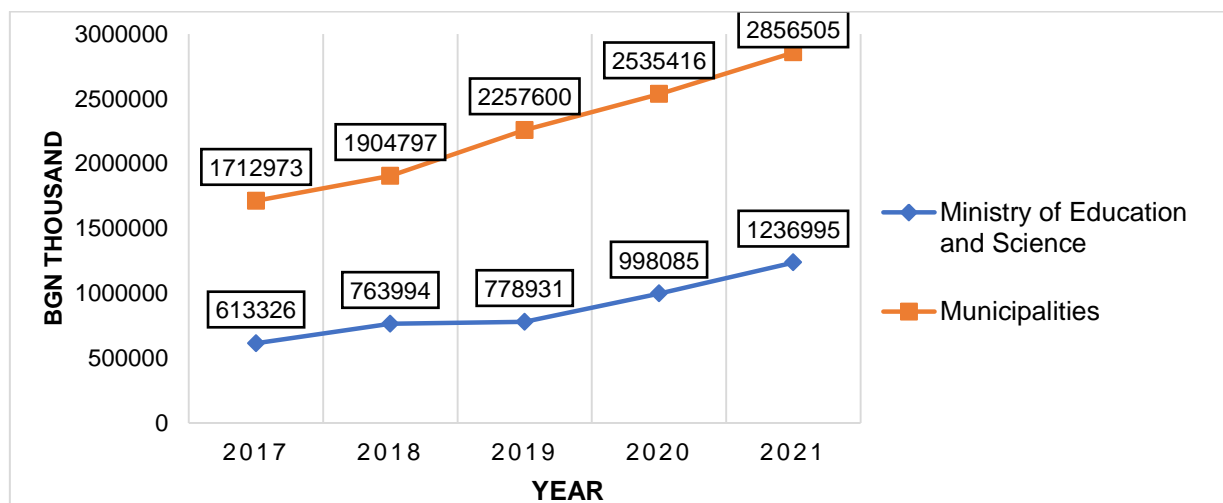


Fig. 3. Dynamics of public expenditure on school education in Bulgaria (2017-2021)

In the academic year 2017/18, there was an increase in the number of children who left school by 8.5% compared to 2016/17. After that, a gradual decrease in the total number of students not completing their education in Bulgarian schools was reported. In 2019/20, their number is almost 13% less than in 2016/17 and 19.8% lower than in 2017/18, which can be considered a favorable trend (see fig .4).

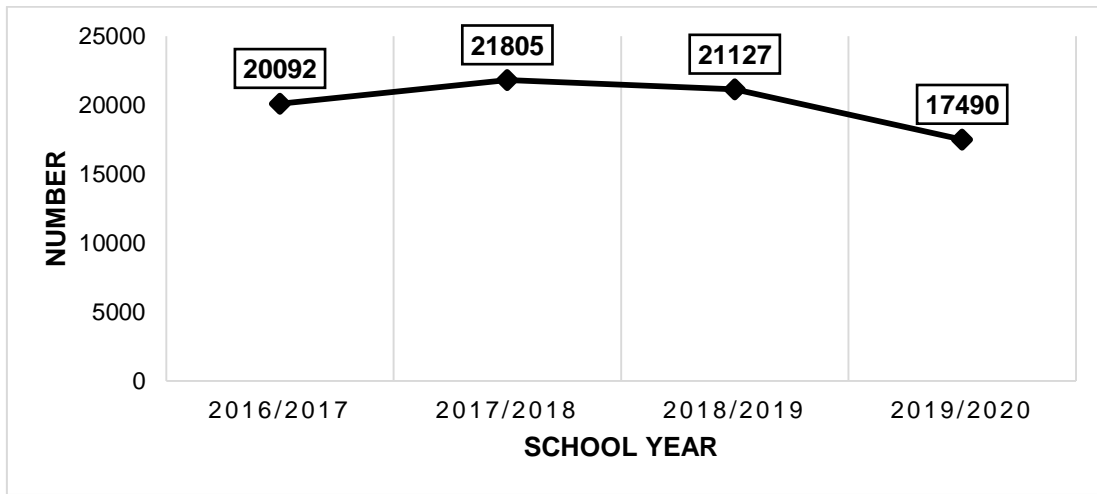


Fig. 4. Dynamics in the number of school leavers in Bulgaria by school year for the period 2016-2020.

However, one should not forget the fact that the total number of students in the country is decreasing, which implies a more detailed search for causes and dependencies. Analysis of the data shows that the reduction in students in comprehensive and secondary schools for the academic year 2019/2020 is only 2.6% compared to 2017/18. The total number of children in these schools in 2021/22 has decreased by 5.3% compared to 2017/18 and by 8.4% compared to 2016/17 (see Fig. 5).

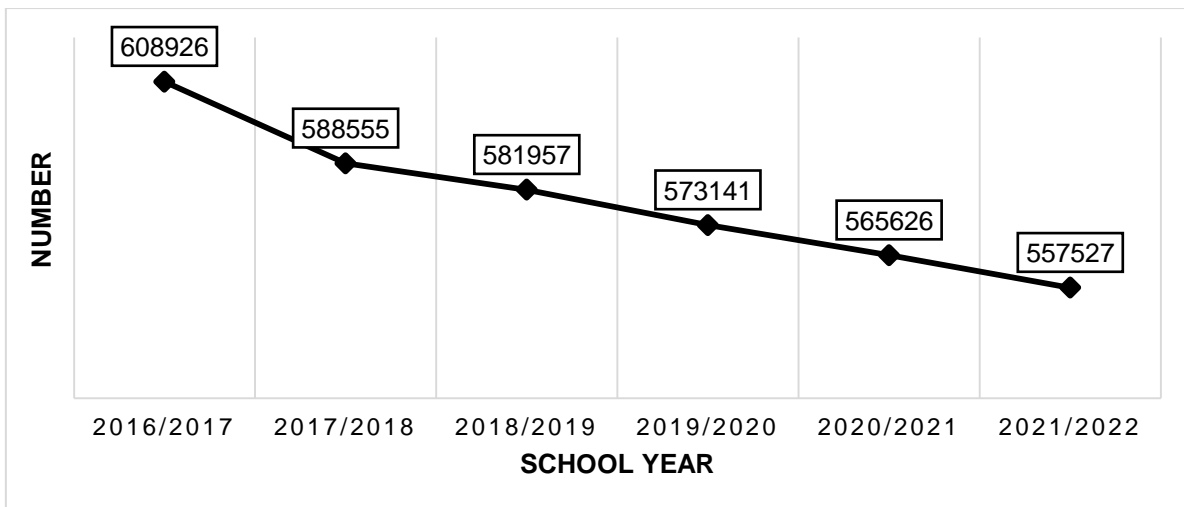


Fig. 5. Dynamics in the number of students in comprehensive and special schools in Bulgaria by academic years (2016-2022)

With regard to those studying in the field of higher education in Bulgaria, we should point out that the net ratio of those enrolled in higher schools is relatively constant, varying between 43.6% and 44% for the period 2016-2022. The lowest ratio is reported for the academic year 2021/22 (see Fig. 6). This can also be seen as a consequence of a decrease in the total number of students in the lower educational level, given the negative demographic trend in Bulgaria.

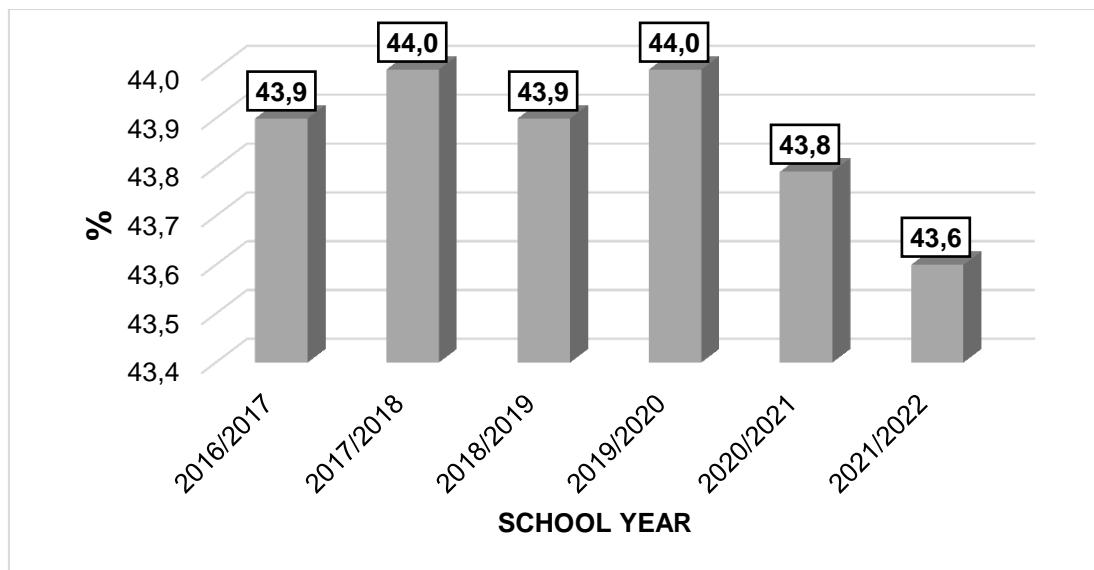


Fig. 6. Net enrollment ratio of the population aged 19-23 in Bulgaria by academic year (2016-2022)¹

The data presented show that there is a need to continue at national level the implementation of policies to cover all children (of the appropriate age) and students in pre-school and school education structures, taking action to reduce the proportion of students who drop out of school prematurely. An important prerequisite for successful development is the strengthening of interest in higher education among young people. All this will allow to acquire functional literacy at a higher level, relevant interdisciplinary and practice-oriented knowledge and skills, to develop creative and critical thinking, responsibility and problem-solving skills in a real environment, to improve civic engagement, to improve general and public knowledge.

3. ACKNOWLEDGEMENT

The dynamics of public and private expenditure on education in Bulgaria in the period 2010-2019 shows an increase in the attention given to education in our country. The country needs highly qualified personnel to shape the competitiveness of organizations. Sufficient financial resources need to be provided to maintain educational institutions in a suitable condition to provide quality services that meet the needs of the market. The modernization and internationalization of education in Bulgaria is part of the developed strategies for its development both in the previous (2014-2020) and in the current (2021-2027) program period.

The level of education of the any country's population is predetermining the state of its economy and the possibilities for improving its competitiveness. Therefore, one of the priority goals in the "Strategy 2030" for Bulgaria is related to increasing the scope and quality of education and training, with an emphasis on acquiring analytical skills and developing creative thinking, upgrading people's abilities for timely adaptation to the technological transformation and observed changes in the labor market. All this is inextricably linked to one of the UN's Sustainable Development Goals - providing quality education that is inclusive, equitable and promotes lifelong learning opportunities.

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¹ The net coefficient is calculated in percentages and represents the ratio of the number of students aged 19-23 in Bulgaria, regardless of the level of education, to the number of the population in the same age group.

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