

Market Intelligence Brief

BULGARIA

2019/2020



INTERNATIONAL
EDUCATION
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1. BULGARIA AT-A-GLANCE



Market background

- Overall GDP growth in Bulgaria was 3.7 per cent in 2019, up from 3.1 per cent the previous year. Domestic demand reached a decade-long peak in 2018 and was a main driver of growth in the country. In addition to the buoyant domestic trend, export performance and assets as a trade infrastructure hub for regional transport networks have also been good sources of growth for Bulgaria.
- The positive economic performance was supported by lower unemployment, which declined to 4.9 per cent in 2019 from a peak of 13 per cent in 2013, as well as growth in consumption demand by 4.5 per cent and growth in investment demand by enterprises by 5.4 per cent.¹
- With a fast-improving environment for doing business, its position as a destination for FDI and EU funds, and emergence as a platform for digital transformation, Bulgaria looks set to realise its promising growth potential through strengthening domestic capacities and international linkages over the next ten years.²
- At the time of writing (end of April), Bulgaria had reported 1500 cases of COVID-19. The full extent of the pandemic is still unknown, but it is likely to have a major impact on Bulgaria's economy, population, and healthcare system. According to World Bank's Spring 2020 Economic Update a decline by 3.7 percent is expected in GDP 2020.³



Local education trends

- There are major education reforms underway at all levels in an effort to modernise and improve the quality of education and educational outcomes. Education quality is low compared with EU averages and the rest of Southeast Europe. The government, with EU support and funding, is looking to increase the number of STEM graduates in particular.
- The number of students at the tertiary level is declining annually. This is partially a result of an aging population, but currently more directly affected by increasing numbers of young people leaving Bulgaria after finishing upper secondary education.
- The government is putting considerable effort into improving the research and innovation capacity of Bulgarian HEIs. It is looking for increased collaboration with industry and international partners to achieve this.



International education

- The number of Bulgarian students studying abroad is increasing. According to UNESCO, in 2017 over 25,000 students travelled to study, going primarily to EU countries and staying within the region. The top three destinations for new Bulgarian student enrolments are Germany, the UK and the Netherlands, but enrolments in the UK are falling. In 2018/19, there were 6,020 new Bulgarian enrolments in the UK, a decline of 6.2 per cent from the previous year.

¹ [World Economic Outlook](#), IMF, 2019

² [Doing Business in Bulgaria](#), EY Bulgaria, 14 November 2019.

³ [Europe and Central Asia Economic Update.: Fighting COVID-19](#), World Bank, 2020

- There are significant TNE opportunities in Bulgaria for UK HEIs. Government policy allows for EU and non-EU engagement with Bulgarian universities, though currently only EU HEIs can establish local branches. Bulgaria scored highest among 10 EU countries in TNE policy framework assessment and can be considered an emerging key player in TNE/IPPM within Europe according to study commissioned by British Council in 2019.⁴
- Although local students are opting to study abroad, Bulgaria is increasingly an education hub for international students, attracting students from Albania, North Macedonia, Greece, Turkey, Ukraine and the UK. In 2019, 16,345 foreign students were studying at HEIs in Bulgaria, an increase of 8.5 per cent over 2018 and 37.8 percent since 2015.

⁴ [The Shape of Global Higher Education: International Comparisons with Europe](#), p.37, British Council, 2019

2. INTRODUCTION

Since leaving the Eastern Bloc in 1989, Bulgaria has become a democratic sovereign state with a fast-growing, if small, economy rooted in the markets of the European Union. The country has shown sustained economic growth since 2012, growing 3.7 per cent in 2019. However, as home to the fastest-shrinking population in the world, it faces great challenges. In 2018, Bulgaria's population stood at just seven million and is shrinking at an average of 0.7 per cent each year.

The population of Bulgaria is expected to decline by 20 per cent to 5.2 million by 2050. The fertility rate is extremely low, and there is high outward migration, in particular among people aged 20-39. This is in part driven by the large number of Bulgarians leaving the country to study and to search for higher wages and better working conditions abroad.

Just over 25,000 Bulgarian students studied abroad in 2017, accounting for 17 per cent of the total student population, an increase of over 10,000 from 2000.⁵ Joining the EU in 2007 was a boon for international study, particularly to other EU member countries. The UK is the largest study destination, hosting more than 6,000 Bulgarian students in 2018/19, 88 per cent of whom were enrolled in an undergraduate programme. Bulgaria is currently the 10th largest EU sender of students to the UK, as the country has a relatively small pool of students to send. Enrolments at UK institutions have decreased slightly since a peak of 6,500 total students across all stages of study in 2013/14 but are still significantly above the 1,000 Bulgarian enrolments in 2007/8.

While a large number of Bulgarians go abroad for tertiary study, an increasing number of internationally mobile students from Greece, Turkey, the UK and Germany are enrolling at Bulgarian institutions. In 2018, there were 16,345 foreign students studying at HEIs in Bulgaria, an 8.7 per cent increase from the previous year. Bulgarians abroad are also beginning to return to their home country, attracted by competitive employment opportunities in certain sectors, including ICT.

Despite the declining population and the challenges this creates for the country as the workforce shrinks, Bulgaria has experienced solid economic growth since emerging from the 2008 financial crisis. The rapid growth of transformative sectors such as ICT has improved employment rates and domestic demand, and improved Bulgaria's economic performance overall.

As the economy has flourished, the government has committed more public expenditure to education. The European Commission found that the Bulgarian education system is underperforming, and in response the government is aiming to increase the mean years of school education and reduce school dropout rates, particularly in disadvantaged groups. It also working to increase teacher salaries and making education more inclusive, particularly for ethnic minorities.

The government is attempting to encourage more students towards STEM subjects to address the lack of workers with skills needed in Bulgaria's key industries. The most popular subjects are currently business and the humanities, which are not producing the skills required for Bulgaria's predominantly manufacturing based economy. They are also producing neither the quantity nor quality of skills needed for the quickly developing ICT industry. ICT now employs more than one in 10 workers in Bulgaria's capital, Sofia.

The mismatch in skills between graduates and employers has a notable effect on employment. In 2018, the employment rate of recent graduates rose to 66.4 per cent from 59.1 per cent the previous year, but this is still below the EU average of 79.5 per cent.

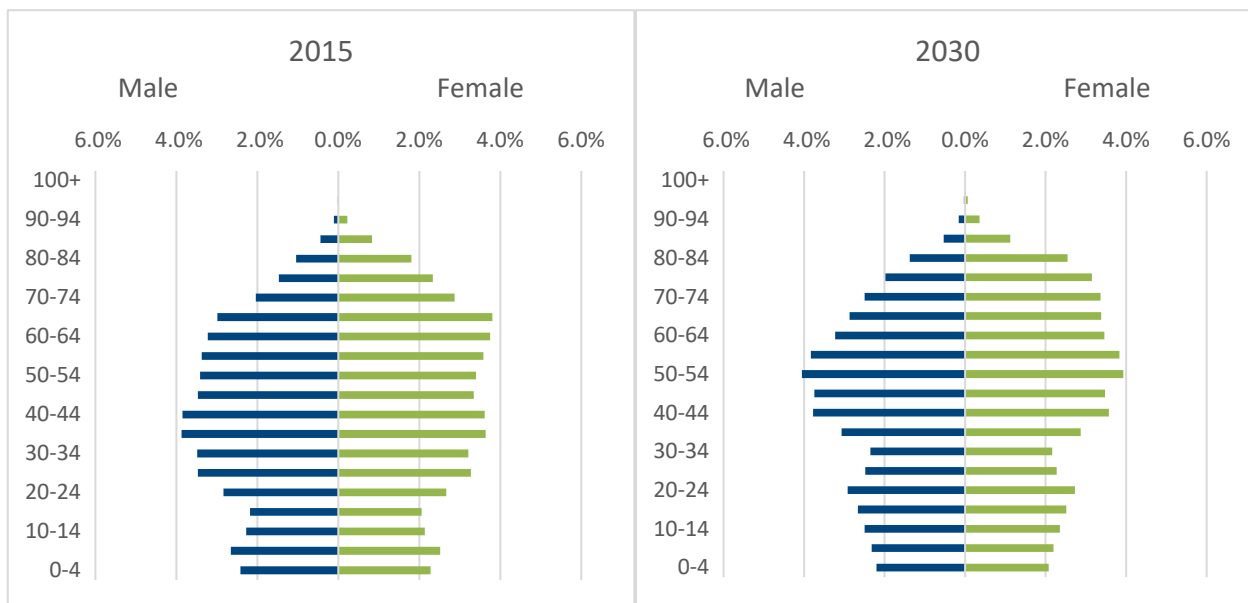
At the time of writing, Bulgaria had reported 1 500 cases of COVID-19. However, the global recession resulting from the COVID-19 pandemic is likely to cause significant damage to the Bulgarian economy.

⁵ [Total outbound internationally mobile tertiary students studying abroad](#), UNESCO UIS, accessed 20 March 2020.

3. DEMOGRAPHICS

Bulgaria has the world's fastest-shrinking population, a trend that weighs heavily on Bulgaria's prospects, including as an education market. In 2018, Bulgaria's population stood at just seven million, down from nine million in 1989, when borders first opened after the collapse of the eastern bloc.⁶ The population has since fallen steadily at an average rate of 0.7 per cent per year.

Figure 1: Bulgaria's population pyramid, 2015 and 2030



Source: UN WPP

According to the Bulgarian National Statistical Institute, by the end of 2018 persons over 65 accounted for 21.5 per cent of the population, an increase of 0.3 per cent since 2015. This figure is relatively close to Japan's 28 per cent, the country with the oldest population in the world.⁷ In 2015, children in Bulgaria under the age of 15 accounted for 14.4 per cent of the total population.⁸ The UN projects that the percentage of the population aged 12-18 will experience a slight bump from about 7 per cent of the total population in 2020 to 7.5 per cent in 2025 before declining to 6.7 per cent in 2050.⁹

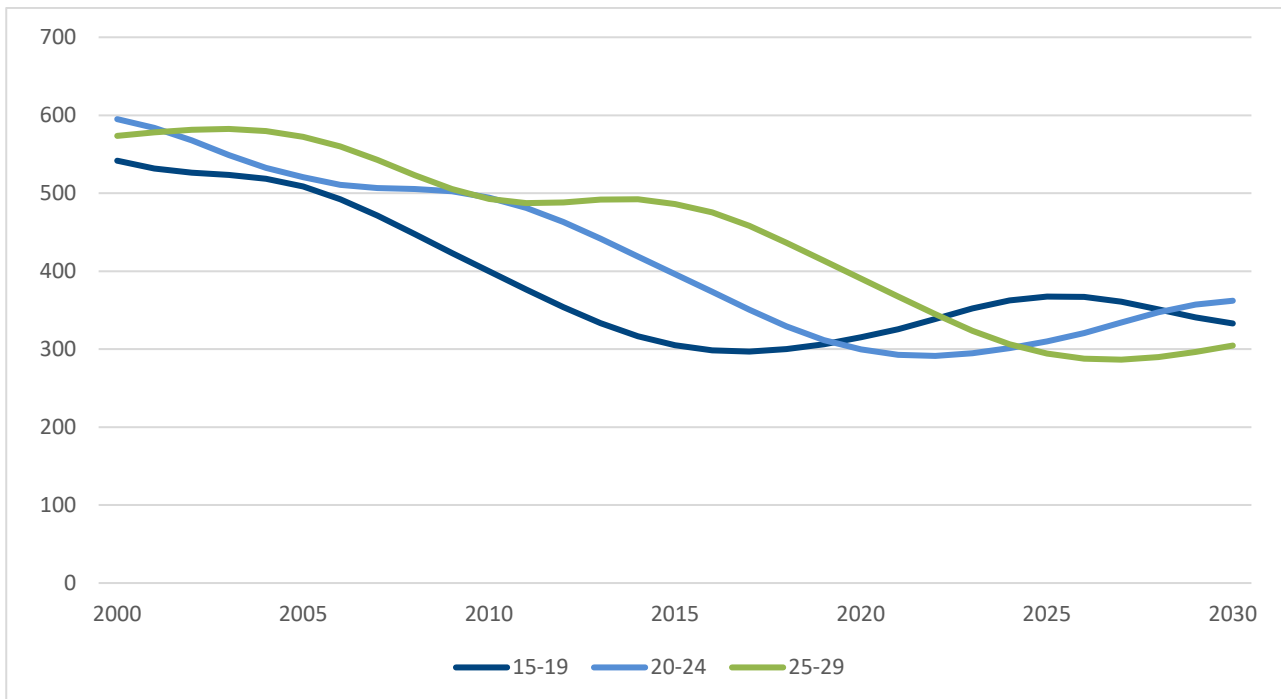
⁶ [Bulgaria](#), World Bank, 2019; [Beyond the Berlin Wall: The forgotten collapse of Bulgaria's 'Wall'](#), Brookings, 2019

⁷ [Elderly citizens accounted for record 28.4% of Japan's population in 2018](#), Japan Times, 2019

⁸ [Population and Demographic Processes 2018](#), Bulgaria National Statistical Institute, 4 October 2019.

⁹ [Percentage of total population by broad age group, both sexes](#), United Nations Department of Economic and Social Affairs, accessed 24 February 2020.

Figure 2: Bulgaria's student age population



Source: UN Population Division

Compounding the declining fertility rate of 1.56 children per woman, far lower than the replacement rate of 2.2, is the high rate of outward migration, an average of 5,000 people per year over the last decade.¹⁰ By 2050, the country's population is forecast to decline by a further 20 per cent to 5.2 million.¹¹ The country's working-age population currently stands at 4.2 million, about 60 per cent of the population, and the student-age population is equally set to decline.¹²

The net outward migration and low birth rates are the sources of longer-term economic challenges such as weak consumer demand and labour shortages. The Bulgarian government liberalised regulations for allowing in third-country workers in 2018 after the proposal to actively encourage the migration of 500,000 non-EU nationals to fill jobs.¹³

A particularly large number of young Bulgarians are leaving for other countries. In 2018, half of the more than 33,000 people who moved abroad were between the ages of 20 and 39. The most popular destinations were Germany (24.4 per cent), the UK (17.8 per cent), and Italy (7.5 per cent). Just under 30,000 people from abroad moved to Bulgaria, only 35.5 per cent of whom were between the ages of 20-39.¹⁴ Bulgaria is increasingly becoming a regional hub for citizens across the Western Balkans and Southeast Europe. A study by the *Financial Times* found that about 10,000 people return to Bulgaria

¹⁰ [Total fertility rate by statistical regions, districts and place of residence](#), Republic of Bulgaria National Statistic Institute, 2019; [World Population Prospects 2019 Data Booklet](#), United Nations, Department of Economic and Social Affairs, Population Division, 2019.

¹¹ [World Population Prospects 2019: Highlights](#), United Nations, Department of Economic and Social Affairs, Population Division, 2019.

¹² [POPULATION BY WORKING AGE STATUS*, PLACE OF RESIDENCE, SEX, AND BY DISTRICTS AND MUNICIPALITIES AS OF 31.12.2018](#), NSI, 2019.

¹³ [Labour market integration of third-country nationals in EU Member States](#), European Commission, 2018.

¹⁴ [Population and Demographic Processes 2018](#), Bulgaria National Statistical Institute, 4 October 2019.

annually, led primarily by experienced IT professionals, and the study also found many Bulgarians who have lived abroad for years may find opportunities in Bulgaria's competitive and well-paid finance and IT sectors.¹⁵

According to the 2011 national census, the main ethnic groups in Bulgaria are Bulgarians (84.4 per cent of the population), Turks (8.8 per cent), and Romani (4.9 per cent). Over 85 per cent of the population have Bulgarian as their native tongue, 9.1 per cent are native Turkish speakers and 4.2 per cent say a Romani language is their native tongue. Eastern Orthodox Christianity is by far the most prevalent religion, accounting for 82.6 per cent of the population, followed by Islam (10 per cent).¹⁶ In 2018, 73.7 per cent of the population resided in urban areas.¹⁷

¹⁵ [Bulgaria battles to stop its brain drain](#), *Financial Times*, 2018.

¹⁶ [Population: Demographic Situation, Languages and Religions](#), *Eurydice*, 29 December 2019.

¹⁷ [Population and Demographic Processes 2018](#), *Bulgaria National Statistical Institute*, 4 October 2019.

4. ECONOMICS

Once planned and highly centralised, Bulgaria's economy is now anchored in the European Union, the world's richest regional market. Structural reforms since the 1990s propelled the country forward, and it is now ranked by the World Bank as an upper-middle-income economy.¹⁸ Bulgaria's accession to the EU as part of the 2007 EU enlargement boosted FDI flows, jobs, and incomes for the bottom 40 per cent of the population, helped annual economic growth reach a peak of seven per cent, and led to a drop in absolute poverty from 37 to 16 per cent.¹⁹

The 2008 global financial crisis caused major damage to growth and income. Hundreds of thousands of jobs disappeared and unemployment doubled from 5.6 per cent to 13 per cent. Bulgarian workers migrated in droves to Western Europe and the birth rate continued to fall. However, in the last five years, the Bulgarian economy has rebounded and entered a new phase of growth that is more reliant on the development of high-skill, high-productivity sectors and on increasing domestic demand as a source of growth.

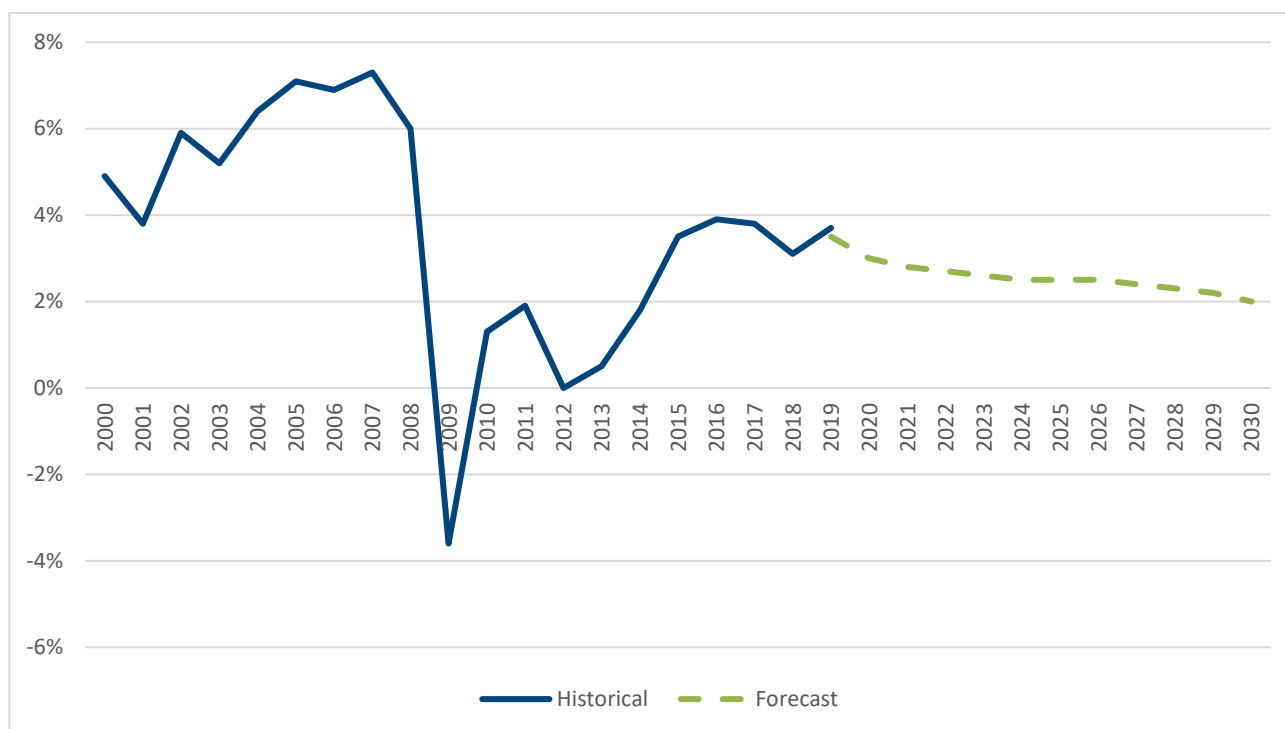
Bulgaria's economy grew by 3.7 per cent in 2019, up from 3.1 per cent growth in 2018. Growth is expected to slow to 2.9 per cent in 2020, and the IMF projects that growth will stay above 2 per cent for the coming decade.²⁰ The rapid growth of sectors such as ICT has generated a positive overspill of employment opportunities and improved domestic demand, reflected at the overall level of improved macroeconomic performance. It is also generating some positive inward migration trends, with both Bulgarians abroad and other European immigrants attracted to the well-paid ICT opportunities.

¹⁸ [Bulgaria country data](#), *World Bank*, 2019.

¹⁹ [Bulgaria's Potential for Sustainable Growth and Shared Prosperity : Systematic Country Diagnostic. Systematic Country Diagnostic.](#) *World Bank*, 2015.

²⁰ [Bulgaria and the IMF](#), *IMF*, accessed 23 February 2020.

Figure 3: Real GDP growth and forecast



Source: Euromonitor

In 2019, GDP per capita stood at US\$24,595, but income inequality is the highest in the EU.²¹ Annual disposable income per capita is rising along with consumer expenditure, and education is expected to be the fastest-growing consumer category in 2020-2030.²² Domestic consumption reached an all-time high in 2018 and was the key driver of growth, supported by a dynamic labour market. While this has nudged up domestic prices slightly with current inflation at 2.5 per cent, weak agricultural performance has additionally caused an increase in food prices.²³ The country ranks 52nd on the UN's Human Development Index, tied with neighbouring Romania and behind Slovenia (24) and Croatia (46).²⁴

When poverty is measured using the upper-middle income class line of US\$5.50 per day, Bulgaria's poverty rate has declined from 8.5 per cent in 2015 to 7.5 per cent in 2017.²⁵ Compared to EU counterparts, wages in Bulgaria remain low, and the income share of the richest 20 per cent is almost eight times that of the poorest 20 per cent.²⁶ There is a higher incidence of poverty among the elderly and among the Roma people, who in 2016 made up 4.8 per cent of the total population but accounted for nearly 85 per cent of Bulgaria's working-age poor.²⁷

²¹ [Income inequality in EU Member States](#), Eurostat, 2019.

²² [Country Profile: Bulgaria](#), Euromonitor, 21 February 2020.

²³ [The economic context of Bulgaria](#), Nordea, 2019.

²⁴ [Human Development Index 2019](#), United Nations Development Programme, 2019.

²⁵ [Bulgaria Overview](#), World Bank, 2020.

²⁶ *ibid.*

²⁷ [Country Partnership Framework for Bulgaria 2017-2022](#), World Bank, 2016.

Unemployment, steadily declining from its peak of 13 per cent in 2013, is now 4.9 percent and forecast to remain significantly lower than the EU average of 7 per cent in coming years.²⁸ Unemployment has been considerably lower amongst older workers in the sectors and enterprises that have not undergone the thorough restructuring that began in the 1990s.

Bulgaria's economy retains an important technological and industrial base. It still has significant heavy industry and construction sectors that today account for 28 per cent of GDP. In addition to oil refining, electronics and biochemical sectors, Bulgaria leads the Balkans in per capita production of steel and steel products. However, these sectors were founded in the Soviet era and are still shaped by its legacy. These sectors will need strengthened productivity and skills to get in line with the rest of the economy.

The services sector has accounted for more than half of GDP for more than a decade, reaching nearly 60 per cent in 2018, followed by industry at around 24 per cent of GDP, and finally agriculture, which has declined from about 5 per cent of GDP in 2008 to just 3.6 per cent in 2018.²⁹ Bulgaria has seen strong growth in outsourcing, which has shifted from providing customer support services to include more complex business process outsourcing such as analytics, marketing, sales, accounting, and FinTech. Between 2008-2015, the sector grew by an average of 25 per cent annually and has since matured to 10-15 per cent growth annually.³⁰ It is also becoming an increasingly attractive destination for high-skill outsourcing and has grown as a location for supply chains in manufacturing. For example, car parts manufacturing has grown considerably, accounting for 3.2 per cent of exports in 2018, up from 1.2 per cent in 2008.³¹ The banking and finance sectors have recovered well from travails such as a major bank run in 2014. Bank profitability is almost as high as it was before the Global Financial Crisis. Capital adequacy and liquidity ratios are higher than the EU average.³²

Bulgaria ranks 49 (out of 141 countries) in the World Economic Forum's 2019 Global Competitiveness Index, scoring well on most indicators.³³ In the World Bank's 2020 Ease of Doing Business report, Bulgaria ranked 61 (out of 190 economies), two spots lower than its 2019 ranking, in part due to changes in legislation that requires a longer duration of the contribution period before employees can be eligible for unemployment protection.³⁴

Currently, conditions are conducive for foreign investments and domestic partnerships. Bulgaria has one of the most favourable business tax regimes in Europe. Among other wide-ranging incentives for investors, corporate and related personal income tax rates are a flat 10 per cent, the lowest in the EU. Industries in high-unemployment areas enjoy further tax incentives.³⁵ The government is also working to align business regulations with the rest of the EU, such as in accelerating procedures for approving permits and licenses for investors.³⁶

Software and ICT services have been the breakthrough sector for greenfield investment, and the government has exempted start-ups, outsourcing companies, and software developers from most licensing requirements. Before 2015, cross-border investment to Bulgaria's software and ICT services sector averaged only five projects a year. Since then, it has become the primary target for foreign investment, attracting 30 per cent of all projects in 2018. Sales amounted to US\$3.2 billion, an annual increase of 45 per cent. The sector has grown to more than 12,000 companies, employing tens of thousands, while transforming Bulgaria's skills base in the ICT and electronics sectors.³⁷ However, many

²⁸ [Unemployment – Bulgaria](#), World Bank, 2020.

²⁹ [Distribution of gross domestic product](#), Statista, accessed 13 March 2020.

³⁰ [World Leader: Bulgarian Outsourcing](#), *Emerging Europe*, 2 July 2018.

³¹ [The Automobile Sector - One of the Stars of the Bulgarian Industry in Recent Years](#), *Novinite Insider*, 25 April 2019.

³² [Bulgaria's central bank governor aims to prevent return of crisis](#), *Financial Times*, 2018.

³³ [Bulgaria](#), *Global Competitiveness Index – World Economic Forum*, 2019.

³⁴ [Ease of Doing Business Report 2020: Bulgaria](#), World Bank, 2019.

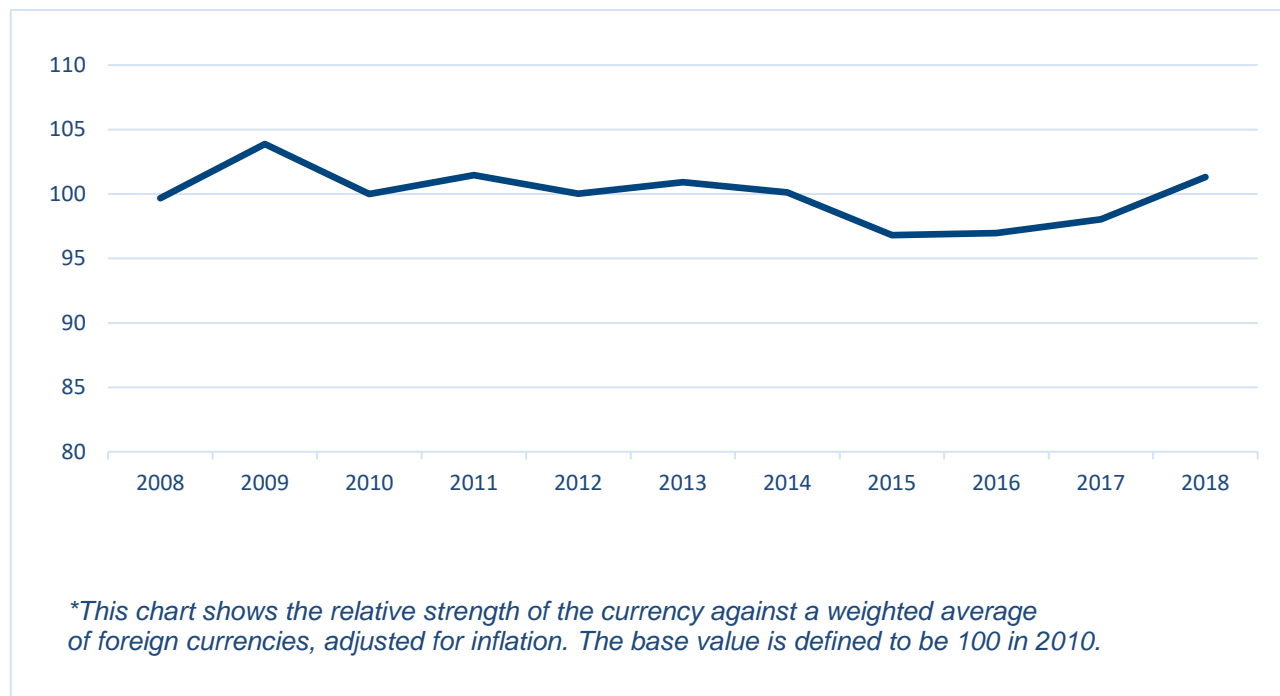
³⁵ [Why Bulgaria?](#), INVESTBULGARIA Agency.

³⁶ [Foreign investors in Bulgaria must look beyond enduring problems.](#), *Financial Times*, 2016.

³⁷ [Bulgaria attracts record tech investment](#), *Financial Times*, 2019.

investors are put off by concerns of corruption and legal uncertainties, problems with contract enforcement and property rights. Bulgaria ranked 74th out of 180 countries on Transparency International's Corruption Perception Index, the lowest among EU countries.³⁸

Figure 4: Real Effective Exchange Rate



The unit of currency in Bulgaria is the lev, which has been pegged to the euro since 2001. Despite challenges in the reform process, Bulgarian authorities hope to join the EU's Exchange Rate Mechanism (ERM) in the spring of 2020, which will pave the way to fully joining the Euro currency zone within two years.

³⁸ [Corruption Perceptions Index 2019: Western Europe and the EU](#), Transparency International, 2019.

5. POLITICS & POLICYMAKING

Bulgaria is a parliamentary democratic republic. The prime minister is head of government in a multi-party system and legislative power is vested in the National Assembly. The current prime minister, Boyko Borissov, won a third election in May 2017 and leads a coalition that commands a majority in the National Assembly. Borissov's party, GERB or Citizens for European Development of Bulgaria, leads the coalition and is one of major dominant parties in the country. The Bulgarian Socialist Party (BSP), the Movement for Rights and Freedoms and the Bulgarian National Movement parties are the other parties with substantial representation at parliament.

The next parliamentary and presidential elections are due to be held in May 2021. A 2019 poll conducted just before the elections for the European parliament put the two parties neck and neck for public support, with GERB on 34 per cent and the BSP on 33 per cent.³⁹

There is solid consensus across government on the importance of EU membership, the priority of attracting foreign investment and of Bulgaria's integration into the global economy. Public opinion of the EU is however is not so positive, and only 51 per cent of Bulgarians feel like citizens of the EU.⁴⁰ Bulgarians are politically active and organise frequent protests against perceived corruption.

The Bulgaria 2030 National Development Programme released in 2019 aims for Bulgaria to be a country with high living standards and a competitive, low-carbon economy by 2030. It sets three major goals: accelerated economic development, which aims to accelerate economic converge to the EU standard through specialisation in high-tech and research-intensive products and increase the standard of living to average European levels; demographic upswing, which aims to mitigate and reverse adverse demographic trends; and reduction of inequalities, which aims to reduce social and territorial inequalities and reduce the percentage of the population at risk of poverty. The programme sets five axes for development – Innovative and Intelligent Bulgaria, Green and Sustainable Bulgaria, Connected and Integrated Bulgaria, Responsive and Just Bulgaria, and Spirited and Vital Bulgaria – and puts forth 13 national priorities in line with achieving Sustainable Development Goals.⁴¹

In the 2019 Transparency International corruption index, which measures perception of corruption within the public sector, Bulgaria ranked 74th in the world and the lowest in Europe.⁴² The EU imposed the *Cooperation and Verification Mechanism for Bulgaria and Romania* (CVM) on Bulgaria after its accession into the EU in 2007, a monitoring scheme instigated to deal with corruption in Bulgaria and Romania. In October 2019, the EU announced that the scheme would be ended for Bulgaria, noting an improvement from since the scheme was first imposed.⁴³

³⁹ [EU country briefing: Bulgaria](#), EURACTIV.com, 2019.

⁴⁰ Ibid.

⁴¹ [BULGARIA 2030: National Development Programme](#), Bulgaria Ministry of Finance, 2019

⁴² [Corruption Perceptions Index 2019](#), Transparency International, 2019

⁴³ [EU to end corruption monitoring scheme in Bulgaria, but not Romania](#), Politico, 2019

6. EDUCATION

Bulgaria is modernising its education system at all levels and the government has emphasised this as a political priority for the coming decade. However, while government spending on education is increasing, public expenditure on the sector as a percentage of GDP was just 3.6 per cent in 2017, lower than the EU average of 4.6 per cent.⁴⁴ Current priorities include reducing the school dropout rate (particularly in disadvantaged groups), increasing teacher salaries to encourage younger entrants into the profession, and making education more inclusive, particularly for ethnic minorities.

Following its accession to the EU in 2007, the government of Bulgaria implemented a series of educational reforms to move towards compliance with the Bologna Process and Lisbon Strategy. Nonetheless, the education system still has significant problems at all levels with student outcomes and education quality, as well as the competency and age of teachers. While Bulgaria provides above average access to education compared to the region, learning outcomes are low and declining, and falling short of EU standards. According to the European Commission, the Bulgarian education system is underperforming: 41.5 per cent of 15-year-olds are underachieving in reading, 42.1 per cent are underachieving in maths, and 37.9 per cent are underachieving in science, placing Bulgaria among the weakest performers in the EU.

At the tertiary level, the skills of graduates do not meet the requirements of the Bulgarian labour market, with the government noting shortages of skilled graduates in engineering and other technical fields, environmental studies, and education. While STEM infrastructure in pre-tertiary education is traditionally strong – and has a more equal gender balance than much of the EU – this has not translated to enough tertiary graduates in STEM fields.⁴⁵

Bulgaria is also among the lowest in the EU for adult participation in learning, with only 2.5 per cent participation among adults ages 24-64, compared with the EU average of 11.1 per cent.⁴⁶ Bulgaria also has a lower proportion of people aged 30-34 holding a tertiary degree than the EU average; only 33.7 per cent compared with the 40.7 per cent EU average.

Bulgaria has a high proficiency in English, ranking 24th out of 100 countries on the 2019 English Proficiency Index, ranking above France.⁴⁷ In 2017, 63 per cent of Bulgarian upper secondary students were learning two or more languages. In 2017, 87.1 per cent of upper secondary students were learning English, 30 per cent were learning German, and 27 per cent were learning Russian.⁴⁸

The Roma community in particular is disproportionately affected by high rates of poverty and experiences poor access to quality education, low performance, and high dropout rates. The performance gap between students who speak Bulgarian at home and students who speak a different language at home is the highest in the EU.⁴⁹

Children in rural areas are much less likely to attend kindergarten than those in urban areas: there were 175,800 children in urban areas enrolled in kindergartens in 2018/19, versus only 42,900 in rural areas.⁵⁰

⁴⁴ [Education and Training Monitor 2019: Bulgaria](#), European Commission, 25 September 2019.

⁴⁵ [Bulgaria Ministry of Education and Science](#), EU STEM Coalition, accessed 20 March 2020.

⁴⁶ *ibid.*

⁴⁷ [2019 EPI: Bulgaria](#), *Education First*, 2019.

⁴⁸ [Pupils by education level and number of foreign languages studied](#), Eurostat, accessed 25 February 2020.

⁴⁹ [Education reforms for inclusion? Interrogating policy-practice disjunctions in early childhood education in Bulgaria](#), *Education Inquiry*, 7 January 2020.

⁵⁰ ['Education in the Republic of Bulgaria 2019'](#) GoB, National Statistical Institute, 2019.

Pre-tertiary education

Education in Bulgaria is compulsory from age of seven to 16. Pre-primary schools (nurseries and kindergartens) are available for children ages three to seven but are voluntary and charge fees.⁵¹ The general educational system consists of two major levels, Basic and Secondary. There are two major kinds of secondary schools: secondary comprehensive, usually called gymnasia, and secondary vocational, called 'teknikum'. There are also specialist secondary schools that focus typically on language or STEM subjects. According to the Bulgarian National Institute of Statistics, in 2018/19 there were 1,955 general education schools in Bulgaria, an increase of 14 schools from the previous year.⁵² There are additionally 430 vocational schools, including art and sport schools, and 33 of the vocational schools were private.⁵³

Private schools are relatively new in the Bulgarian education system. Currently there are 78 private general education (pre-tertiary) schools in the country with a total of 10,113 students accounting for 1.7 per cent of the total number of students in general education. While the overall school population is declining the number and proportion of students attending private schools is increasing.

In 2019, there were 581,267 pre-tertiary students in Bulgaria, with a student-to-teacher ratio of 12.8, slightly higher than the EU average of 12.4.⁵⁴ In 2017, net enrolment in primary school was 86.5 per cent, 10 percent lower than the European average of 96.1 per cent.⁵⁵ Net enrolment in secondary school was also lower in Bulgaria than the European average, but not to the same severity. Bulgarian net secondary enrolment was 89 per cent, 1.9 per cent lower than the European average of 90.9 per cent.⁵⁶

Several MoES initiatives are being implemented to improve the quality and equity of the education system (see section on Policy below), and also to address specific problems such as lacking digital skills. The Program for International Student Assessment (PISA) 2018 study reported that 46 per cent of teenagers in Bulgaria do not have basic competency in reading, mathematics or science, a figure that rises to 60 per cent among marginalised groups.⁵⁷ Only 53 per cent of young people aged 16-19 assess their level of digital skills as basic or above basic, compared to an EU average of 83 per cent.⁵⁸ The report placed Bulgaria 44th of 57 participating countries, an assessment shared by the Trends in International Mathematics and Science Study (TIMSS). UNICEF concluded that decreasing scores in science, reading and mathematics suggest education in Bulgaria is "deteriorating."⁵⁹

⁵¹ [Bulgaria Education System Overview](#), *Education Encyclopaedia*, accessed 10 March 2020.

⁵² [General Schools by Type](#), *National Statistical Institute*, 2019.

⁵³ [Vocational Schools by Type](#), *National Statistical Institute*, 2019.

⁵⁴ [Eurostat custom data search](#), *Eurostat*, accessed 2 April 2020.

⁵⁵ [net enrolment by level of education](#), *UNESCO UIS*, accessed 9 March 2020.

⁵⁶ *ibid.*

⁵⁷ [PISA 2018 Results \(Volume I\)](#), *OECD*, 2019.

⁵⁸ [Education and Training Monitor 2019 – Country Analysis](#), *European Commission*, 2019.

⁵⁹ [Education in Bulgaria](#), *Borgen Magazine*, 2017.

Driven by government and EU strategy, there have been significant reforms to TVET over the past decade. In common with other areas of post-secondary education, there are moves to diversify TVET provision and to make it more responsive to employer demands and the economic priorities of the country. In June 2018, the government of Bulgaria identified professions with a critical shortage of skilled workers and allocated additional funding to schools offering these qualifications. Most of these specialisms are in the field of machine building, construction and transport. Since February 2019, additional scholarships have been provided to learners in these fields. Despite this, significant issues remain in improving the numbers who successfully complete vocational education programmes, in particular those relevant to labour market needs.⁶⁰ A 2015 European Parliament study on encouraging STEM education for the labour market found that the number of Bulgarian graduates of TVET programmes in STEM fields had dropped significantly from over 50 per cent in 2006 to just over 40 per cent in 2011.⁶¹

Higher education

Bulgaria adopted the requirements of the Bologna Process and Lisbon Convention after joining the EU in 2007. The country now uses a standardised three-cycle higher education system, consisting of bachelor's, master's and doctoral studies. Bachelor's degrees are additionally divided under two categories: a "professional bachelor's" programme focusses on practical skills and is aimed at students not wishing to take study further, and a "Bachelor's" programme is more theoretical, with the intention of leading to master's and doctoral studies.⁶²

There are 54 HEIs in Bulgaria, including private 17 institutions. All of them are self-governing and autonomous institutions, regulated and coordinated by the Higher Education Directorate of the MoES.⁶³ The National Evaluation and Accreditation Agency (NEAA) has statutory responsibility for evaluation and accreditation in higher education in Bulgaria. Three Bulgarian universities appear in the top 200 of the QS University Rankings: EECA 2020, a ranking of the top 200 institutions in Emerging Europe and Central Asia. These are: Sofia University "St. Kliment Ohridski", Medical University in Sofia and American University in Bulgaria.

Undergraduate degrees take four years to complete and master's programmes take either one or two years. Most programmes are delivered in Bulgarian, but an increasing number are taught through English, French or German, which are popular among foreign students, and some universities also offer programmes which are jointly accredited. English-taught courses are common at the master's level and increasingly so for medical degrees in particular.

Enrolment in Bulgarian HEIs is falling, due to the declining population and rising interest in study abroad. The gross enrolment ratio for tertiary education was 71.03 in 2017, lower than the average of 82.38 in Central and Eastern Europe but higher than the 52.18 average for upper-middle-income countries.⁶⁴ In the 2018/19 academic year, 199,400 Bulgarians were enrolled in tertiary programmes, a decrease of 3.7 per cent from the previous year.⁶⁵ At the start of the 2018/19 academic year, several universities in Bulgaria announced that there were hundreds of unfilled places for students, mostly in Arts and Humanities. Sofia University, the highest-ranking Bulgarian higher-education institution, had more than 850 vacant spots.⁶⁶ The continuing interest in study abroad is also contributing: in 2017, 8.1 per cent of upper secondary graduates in Bulgaria opted for tertiary education abroad.

⁶⁰ [Vocational Education and Training in Bulgaria: OECD Reviews of Vocational Education and Training](#), 2019

⁶¹ [Encouraging STEM studies for the labour market](#), European Parliament, 2015.

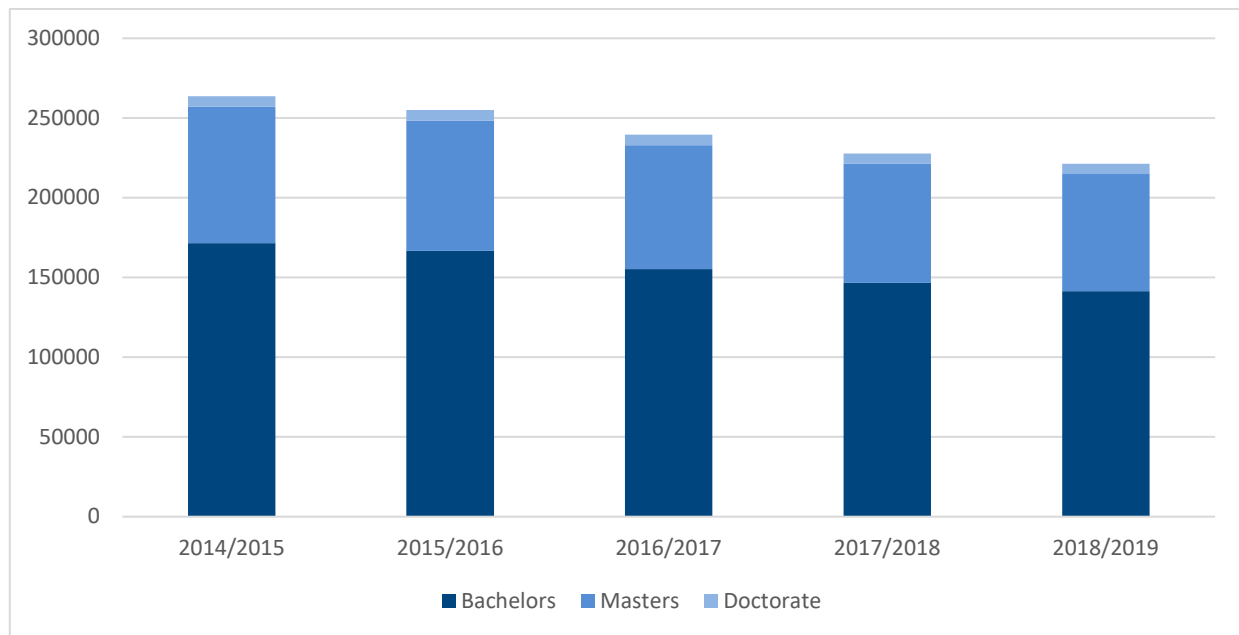
⁶² [Bulgaria Higher Education System](#), *The European Education Directory*.

⁶³ [Higher Education Directorate](#), MoES.

⁶⁴ [Gross enrolment ratio by level of education](#), UNESCO UIS, accessed 9 March 2020.

⁶⁵ ['Education in the Republic of Bulgaria 2019'](#) GoB, National Statistical Institute, 2019.

⁶⁶ [Bulgarian Students Shun Home Universities for Colleges Abroad](#), *Balkan Insight*, 24 August 2018.

Figure 5: Local student enrolment by study level

Source: National Statistical Institute, Bulgaria

Business, the humanities, and education are by far the most popular subjects at HEIs. One in two students in Bulgaria graduate in social sciences, business administration, or law, compared to one in three in the EU.⁶⁷ In 2018, the field with the highest number of graduates was business and administration (15,204 graduates) followed by social sciences (6,113 graduates) and education (4,875 graduates). There are more women than men in higher education at every level, a total of 79,402 women to 66,926 men. Male enrolments however outnumber female enrolments in STEM subjects. State-funded study places in certain professional fields, including economics, business administration and tourism, are being reduced or cut completely in universities with low rankings In an effort to encourage more enrolments in STEM subjects.

The Government of Bulgaria offers scholarships to study at Bulgarian HEIs and, increasingly, abroad as well. New government policy recognises that post graduate and doctoral candidates look to academic exchanges and opportunities to study overseas and in an effort to retain skilled workers and encourage PhD students to return, the GoRB has developed a new scholarship framework provided in conjunction with international partners and businesses.⁶⁸ The Human Resources Development Operative Programme seeks to support students abroad and build research links with industry. It recently committed extra funding of BGN 10 million (US\$5.5 million) for student scholarships, and a further BGN 4 million (US\$2.2 million) to support doctoral candidates and researchers.⁶⁹

The employment rate of recent graduates has increased significantly in 2018, reaching 66.4 per cent compared to 59.1 per cent the previous year. However, in 2018 it remains well below the EU average of 79.5 per cent.⁷⁰

⁶⁷ [Education and Training Monitor 2018 Bulgaria](#), European Commission, 2018.

⁶⁸ [Strategy for Higher Education Development in The Republic of Bulgaria For the Period 2014 To 2020](#), Ministry of Education and Science.

⁶⁹ [Bulgaria: Higher Education Funding](#), European Commission, EURYDICE, 2018.

⁷⁰ [Education and Training Monitor 2019: Bulgaria](#), European Commission, 25 September 2019.

Key policies related to education

As mentioned, Bulgaria's government has made education reform a political priority and has launched a number of policy initiatives. Education spending in the 2019 budget increased by 8 per cent, primarily driven by higher expenditure on teacher salaries. The budget also funds four national programmes, which intend to improve teacher training, introduce innovative teaching methods, provide early career orientation support, and create links between schools and IT companies.⁷¹ Bulgaria is also implementing a number of EU-led initiatives, such as projects for increasing enrolment in pre-school education and teacher training.⁷²

The 'National Strategy for Lifelong Learning for the Period 2014-2020' sets out priorities for all levels of education, from preschool to higher education. It also puts specific emphasis on adult learning. At the core of the policy is the EU imperative for 'smart, sustainable and inclusive growth' and improved provision of equal opportunities for all individuals regardless of ethnicity or financial circumstances.⁷³

The strategy has three overarching objectives: increase the number of people aged 25-64 involved in lifelong learning; reduce the number of students leaving formal education early and increase the numbers of people between the ages of 20 and 24 who have completed secondary education. To achieve these goals, the MoES is focussing on the earliest stages of education. It seeks to enhance the quality of preschool education and outcomes, especially in the areas of key skills and personality development. The strategy also aims to improve the quality of vocational education and training in an effort to increase employment opportunities for graduates and improve Bulgaria's overall competitiveness.

The central tertiary education policy framework currently in place is the 'Strategy for Higher Education Development in The Republic of Bulgaria For the Period 2014-2020'. This was developed in partnership with the European Commission after reviews of European and Bulgarian studies on the Bulgarian education system.⁷⁴ The strategy aims to modernise and internationalise higher education and make it more responsive to the needs of society and the economy.

Research and innovation policy is driven by the National Strategy for the Development of Scientific Research and the Innovation Strategy for Smart Specialization. The national strategy for research focuses on infrastructure, international partnerships, improvement of human resources, and improved career opportunities for scientists and researchers.⁷⁵

The 'Innovation Strategy for Smart Specialisation' aims to tackle national challenges through improving innovation. The strategy focusses on demographic issues, sustainable development, intellectual capital and the nation's health. It also aims to move Bulgaria from the group of "modest innovators" into the group of "moderate innovators".⁷⁶

Bulgarian research currently has little renown and recognition in Europe. It ranked 55th in the Scimago 2018 journal and country rankings, and 47.2 per cent of published research was the result of international collaboration.⁷⁷ In 2016/17, the most common international collaboration partners were Germany, the US, and Italy, followed by the UK.⁷⁸

⁷¹ Ibid.

⁷² Ibid.

⁷³ [National Strategy for Lifelong Learning for The Period 2014 – 2020](#), Ministry of Education and Science

⁷⁴ [Strategy for Development of Higher Education \(2014-2020\) in the Republic of Bulgaria for the 2014 - 2020 period](#), Government of Bulgaria, MoES, 2014.

⁷⁵ [RIO Country Report 2017: Bulgaria](#), EUROPA, Publications of the European Union, 2018.

⁷⁶ [Innovation strategy for smart specialization of the Republic of Bulgaria 2014-2020](#), Government of Bulgaria, Ministry of Economics, 2015

⁷⁷ [Bulgaria](#), Scimago Journal and Country Rank, 2019.

⁷⁸ [UK Science & Innovation Network Country Snapshot: Bulgaria](#), UK Science and Innovation Network, 2018.

International student recruitment

Overall inbound trend

While the number of Bulgarian students in local HEIs is gradually dropping, the number of international students has steadily increased. In the 2018/19 academic year, there were 16,345 foreign students studying at HEIs in Bulgaria, an 8.7 per cent increase from the previous year. Since 2014/15, the number of international enrolments has increased by 38 per cent. The largest share of foreign students come from Greece (24.6 per cent), followed by the United Kingdom (15.3 per cent), Germany (8.9 per cent), Turkey (7.9 per cent) and Ukraine (5.8 per cent).⁷⁹ In 2018/19, there were 416 foreign students enrolled in professional bachelors programmes, 4,506 foreign students enrolled in bachelors programmes, 10,919 students enrolled in masters programmes, and 504 enrolled in Ph.D. programmes.⁸⁰

Overall outbound trend

For many young Bulgarians, studying abroad is a starting point to leave the country in search of higher wages and better working conditions. About 17 per cent of Bulgarian students went to a foreign university in 2019, and some of the country's top universities are now trying to fill hundreds of empty places for the new term. In 2017, 25,025 Bulgarian students were studying abroad, an increase of 4 per cent on the previous year.⁸¹ The most popular study destinations were Germany, the UK and the Netherlands, the UK alone the destination for 25 per cent of all Bulgarian outbound students. Bulgarian student mobility is primarily confined to Europe; the US the sole non-European country in the top ten outbound study destinations.⁸² Bulgarian students traveling abroad seek better educational facilities, improved career and work opportunities, and opportunities to learn or develop skills in a foreign language.⁸³

UK recruitment

The numbers of students at UK HEIs has followed a slight downward trend over the past five years, and Bulgaria ranks 10th among EU sending countries. The 2018/19 academic year saw 6,130 Bulgarian students at UK HEIs, a 1 per cent decline on the previous year.⁸⁴ Bulgaria sends a third as many students as Germany, the top European sender to the UK.

Since many of the UK-Bulgaria bilateral agreements in business, scientific cooperation and culture, among others, were under the auspices of the EU, there is some uncertainty about status of the agreements after the Brexit transition period and the effect it will have on travel, study and work arrangements. Among young Eastern Europeans aged 12 to 18 living in the UK, over half said they felt uncertain or worried about their future, and more than a quarter said they were scared, since the Brexit referendum.⁸⁵

⁷⁹ [Education in the Republic of Bulgaria 2019](#); National Statistical Institute, 2019.

⁸⁰ Ibid.

⁸¹ [Inbound internationally mobile students](#), UNESCO UIS, 2019

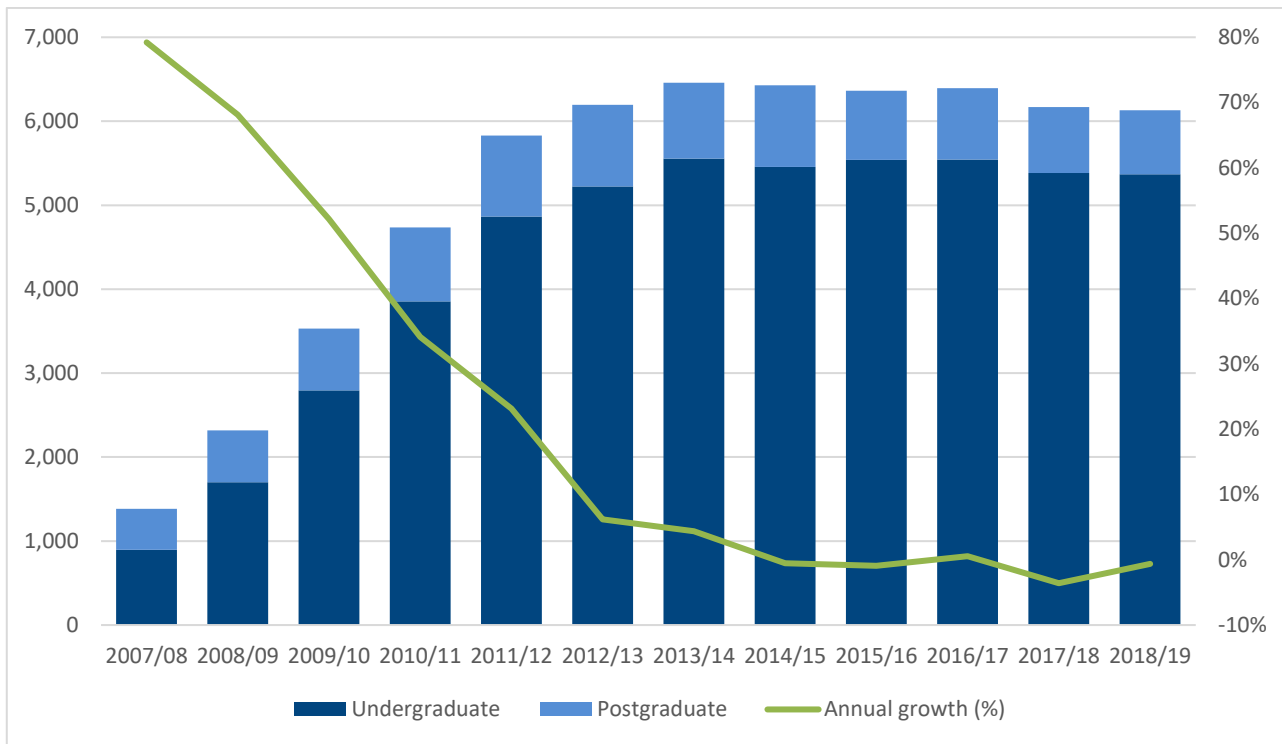
⁸² Ibid.

⁸³ [Flash Eurobarometer 466](#), EU Open Data Portal.

⁸⁴ HESA, 2020

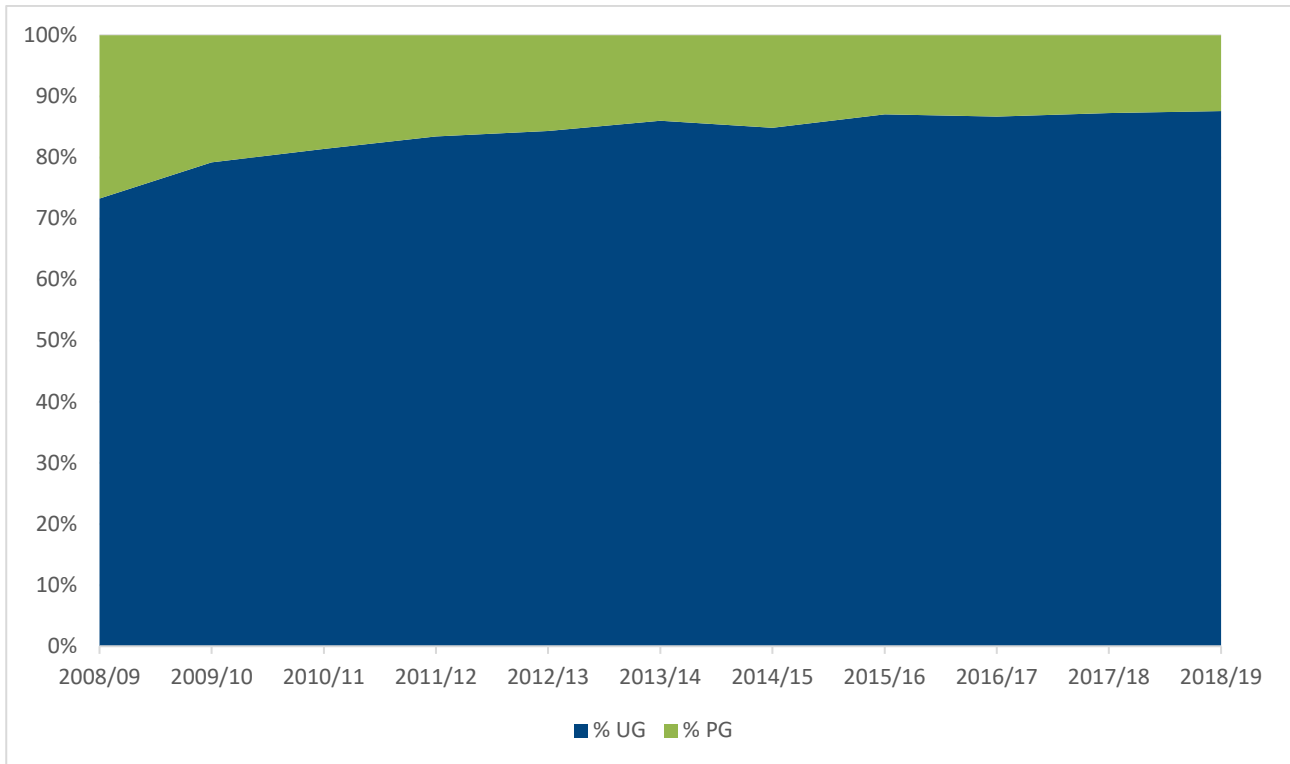
⁸⁵ [How Brexit is making young Eastern Europeans in the UK fear for their future](#), *The Conversation*, 27 June 2018;

Figure 6: Bulgarian students in HE programmes in the UK



Source: HESA

The growth of tertiary Bulgarian students in the UK reached a peak in 2013/14 after five years of explosive growth that saw numbers increase from just under 1,500 in 2007/08 to nearly 6,500 in 2013/14. Since 2013/14, student numbers have fallen slightly, with negative growth for five consecutive years. The current trend would suggest that the number of Bulgarian students in the UK will continue to fall gradually in the coming years.

Figure 7: Level of study in UK

Source: HESA

About 88 per cent of Bulgarian students in UK HEIs are studying at the undergraduate level. This proportion has remained relatively stable for the past six years but rose by 15 per cent between 2008/9 and 2013/4.

Subject areas

Figure 8: Change in UK enrolments according to subject

	Total new UK enrolments in 2018/19	Undergraduate			Postgraduate		
		New UK enrolments in 2018/19	Change from previous year	5-year trend	New UK enrolments in 2018/19	Change from previous year	5-year trend
Business & administrative studies	1540	1355	1.9%		185	0.0%	
Computer science	1015	960	-3.0%		55	-15.4%	
Creative arts & design	705	655	11.0%		50	0.0%	
Biological sciences	500	415	-8.8%		85	0.0%	
Social studies	420	350	-10.3%		70	16.7%	
Engineering & technology	385	335	-6.9%		50	-23.1%	
Mass communications and documentation	290	270	-3.6%		20	33.3%	
Architecture, building & planning	260	215	0.0%		45	-10.0%	
Law	210	175	-2.8%		35	-12.5%	
Languages	190	170	0.0%		20	-33.3%	
Subjects allied to medicine	185	145	7.4%		40	0.0%	
Physical sciences	160	125	8.7%		35	-12.5%	
Mathematical sciences	100	85	13.3%		15	0.0%	
Historical and philosophical studies	70	60	9.1%		10	-33.3%	
Medicine & dentistry	40	10	0.0%		30	50.0%	
Combined	25	25	0.0%		0	0.0%	
Agriculture & related subjects	20	15	0.0%		5	*	
Education	20	10	100.0%		10	-33.3%	
Veterinary science	0	0	0.0%		0	0.0%	

Source: HESA

Business and Administrative studies is the most popular subject area at both undergraduate and postgraduate level, with 1,355 undergraduate enrolments and 185 postgraduate enrolments in 2018/19. Enrolments in Business and Administration have fallen over the past five years, but undergraduate enrolments did increase slightly by 1.9 per cent in 2018/19. The rate of decline in postgraduate enrolments has also slowed down.

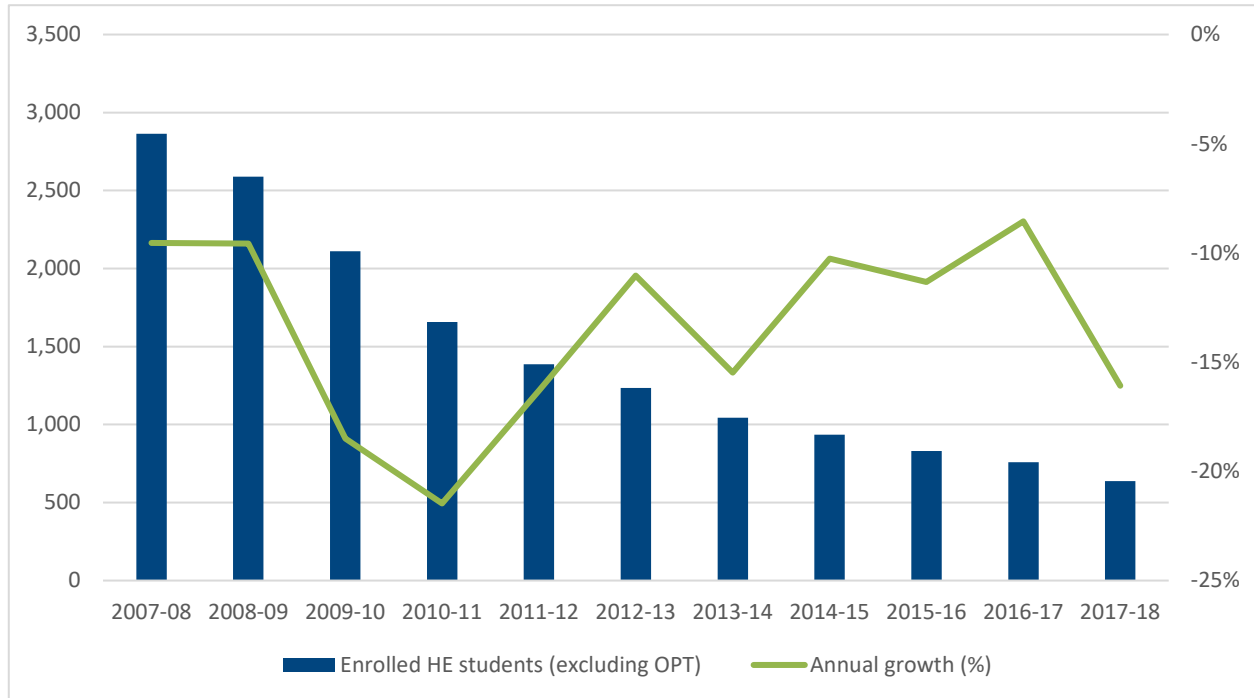
The overall second most popular subject area is computer science, due to high undergraduate enrolments. In 2018/19, there were 960 undergraduate enrolments and 55 postgraduate enrolments in the subject area, both showing a decline in new students from the previous year of 3 per cent and 15.4 per cent respectively.

Other popular subject areas include creative arts and design, biological sciences and social studies. Undergraduate Creative Arts and Design is the only popular subject area that has consistently increased in popularity over the last 5 years. In 2018/19, there were 655 Bulgarian art and design students in the UK, an increase of 11 per cent on the previous year.

Competitor activity

United States

Figure 9: Bulgaria HE enrolments in the US



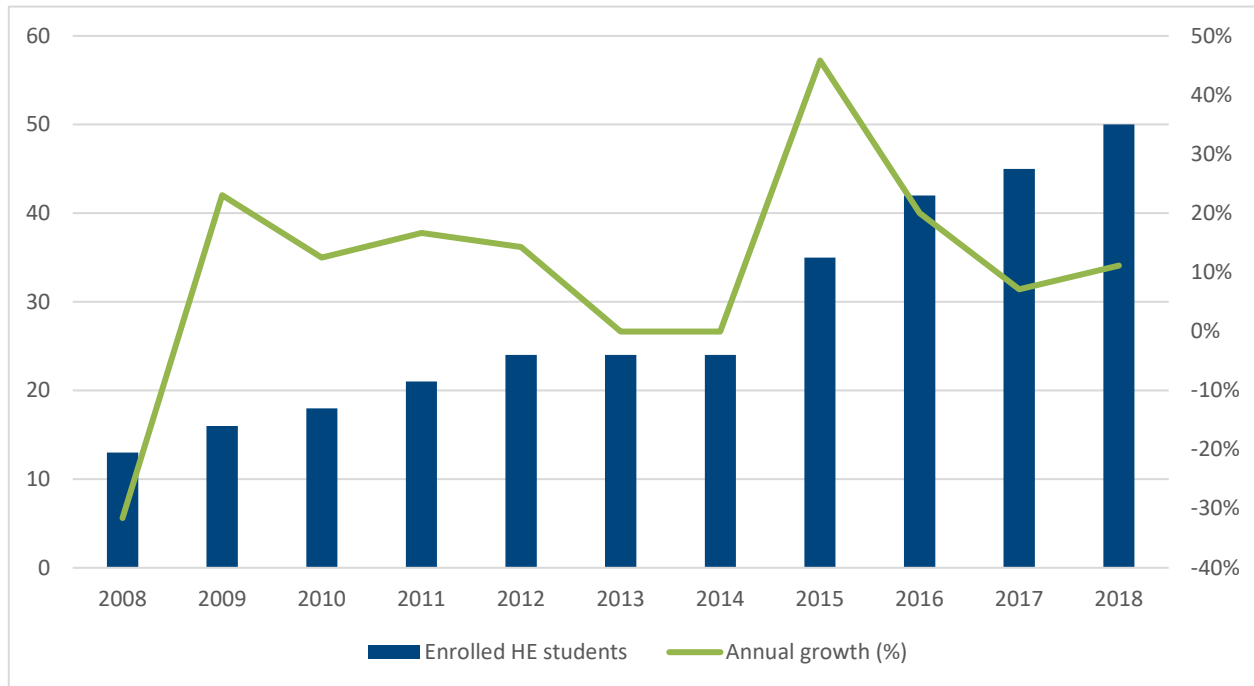
Source: IIE

The number of Bulgarian students studying in the US has declined by over 300 per cent in the last decade, from 2,589 in 2009/10 to 595 in 2018/19. According to the Institute of International Education (IIE), of the 595 Bulgarians in the United States in 2018/19, 334 were undergraduates (a decline of 4.8 per cent), 227 were graduate students (a decline of 11.3 per cent), and 34 were non-degree students (an increase of 13.3 per cent).⁸⁶ The US is the ninth most popular destination for Bulgarian students, behind seven European countries and Turkey. The drop in enrolments coincides with Bulgaria's entry into the EU and a commensurate rise in numbers going to the Netherlands, Germany and other EU destinations.

⁸⁶ [Open Doors Report](#), IIE, 2019

Australia

Figure 10: Bulgaria HE enrolments in Australia



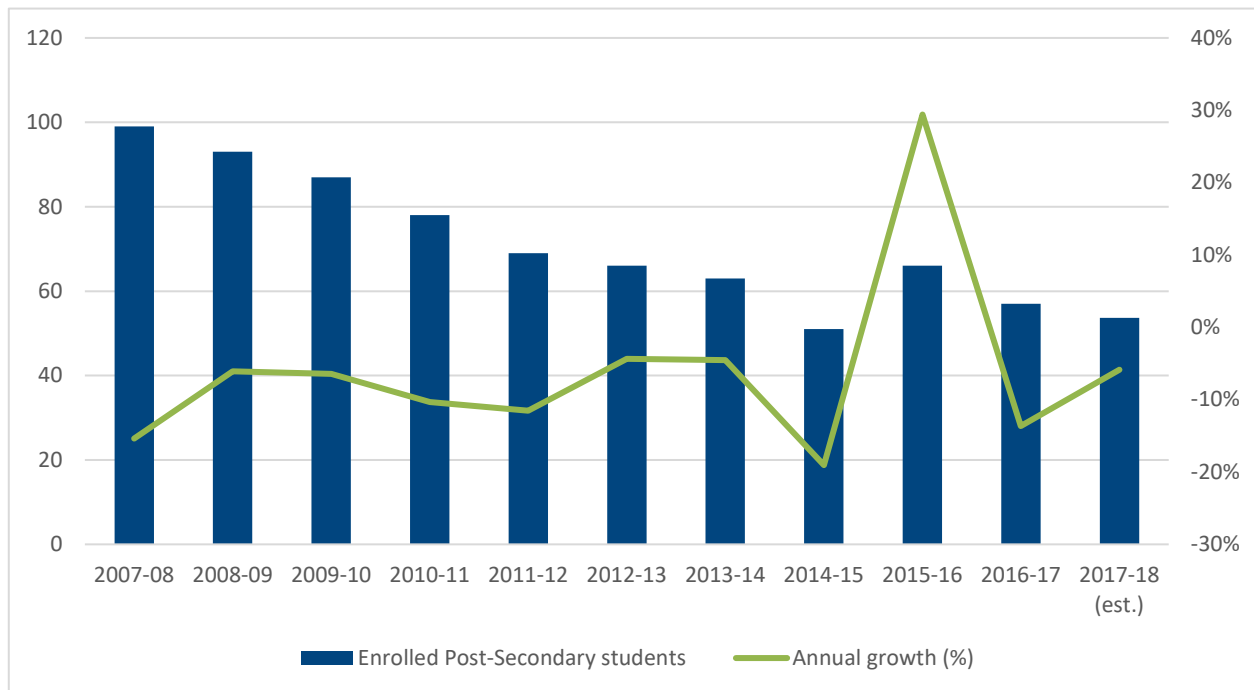
Source: AusTrade

Australian recruitment of Bulgarian students has shown a four-fold increase in the past decade, though from a very low starting point. In 2018, 50 Bulgarian students went to Australia to study, up from just over 10 in 2008. However, Bulgarian enrolments are likely to increase significantly as Australia is looking to expand recruitment in the Balkans. AusTrade recently established a European office with the intention of promoting Australian education in non-traditional European markets with a focus on East and Southern Europe. Central to their focus will be exploring opportunities in the education technology sector and developing opportunities for research collaboration and industry linkages.⁸⁷

⁸⁷ [Introducing Austrade's international education team in Europe](#), AusTrade, 10 December 2018.

Canada

Figure 11: Bulgaria HE enrolments in Canada



Source: StatCan (to 2016-17); British Council estimate based on data from StatCan and Immigration, Refugees & Citizenship Canada (2017-18)

The number of Bulgarian students traveling to Canada to study has never been high and the trend has been downward since 2007. The decline in numbers may be explained by Bulgaria's entry to the EU, but also possibly by Canadian immigration policies towards Bulgaria. Until 2017 Bulgarians faced much harsher visa requirements than the rest of the EU to enter Canada which may have been a deterrent. In December 2017 Canada was forced to comply with EU requests that it treat Bulgaria (and the others who joined as part of the fifth EU enlargement process) as a full and equal member of the EU. Since 2014 the EU insisted that all countries granted visa-free access to the EU bloc had to provide the same privilege to all EU members in return. Canada resisted the change until the end of 2017 and its hand was forced by a number of countries holding up a trade agreement with the EU over the visa issue.⁸⁸

Canada, like Australia, is likely to emerge as competition to the UK given its requirement for critical skills and its policies on post-study work permits of up to three years.

Transnational education

There are some opportunities for HEIs in the UK to collaborate with Bulgarian universities in the provision of transnational education. The UK TNE market in Bulgaria is however not yet strongly developed, and only 730 Bulgarian students currently study on UK TNE programmes.⁸⁹ Bulgaria is an active participant in the European Higher Education Area and under EU agreements, it is currently possible to establish HEI branches within Bulgaria under the conditions and procedures determined in the 2016 Higher Education Act. While non-EU HEIs cannot open branch campuses within Bulgaria, they

⁸⁸ [Romanians and Bulgarians No Longer Require a Canada Visa](#), *Immigration.ca*, 4 December 2017.

⁸⁹ HESA, 2020

can create joint departments with Bulgarian HEIs.⁹⁰ There are a number of ways TNE programmes can be established under the act including through joint degrees and franchises.

Several UK universities have international faculties located in Bulgaria, including the University of Sheffield with the New Bulgarian University and Cardiff Metropolitan University with Varna University of Management.

Bulgaria participates in the Euroguidance and Europass initiatives of the European Commission aiming to further promote and facilitate mobility.⁹¹ But some observers believe Central and Eastern European countries, including Bulgaria, offer the biggest potential for growing British transnational education after the UK leaves the European Union. If tuition increases when EU fees are no longer applicable, then TNE offers a way to cushion these effects, which will be especially beneficial for lower income countries such as Bulgaria.⁹²

⁹⁰ [‘The Shape of Global Higher Education: International Comparisons with Europe,’](#) *British Council*, 2019.

⁹¹ [Bulgaria: Mobility and Internationalisation,](#) *European Commission*, 2017.

⁹² [‘British TNE up in EU – but down in older markets,’](#) *University World News*, 29 November 2019.