



Education and Culture

Leonardo da Vinci



CR@FTSMAN

SITUATION OF THE CRAFTS IN BULGARIA

**CR@FTSMAN PROJECT
ES/09/LLP-LdV/TOI/149072**

1. Socio-economic situation of crafts

1.1. Statistical data and typology of companies

NUMBER OF SMEs IN BULGARIA

The total number of enterprises with 1-249 persons employed in 2007 is **282.6** thousand. The total number of **enterprises in the population surveyed** in 2007 amounts to 253 971 and is 23.7 per cent more over 2001. Subject of analysis in this report are private enterprises only, which represent 99.8 per cent of the total number of enterprises in the population surveyed.

Table 1. Total Number of Enterprises in the Population Surveyed by Number of Persons Employed

	1-9	10-49	50-249	Total 1-249	Over 250	TOTAL
2001	188 750	12 727	3 142	204 619	652	205 271
2002	183 698	14 735	3 223	201 656	653	202 309
2003	196 146	17 790	3 534	217 470	666	218 136
2004	199 082	19 197	3 746	222 025	689	222 714
2005	201 591	20 363	4 042	225 996	683	226 679
2006	204 675	21 537	4 401	230 613	721	231 334
2007	225 550	22 937	4 738	253 225	746	253 971

Public enterprises¹¹ in the population surveyed have decreased to 633 in 2007 or only 43.6 percent of their number in 2001.

Table 2. Number of Public Enterprises in the Population Surveyed by Number of Persons Employed

	1-9	10-49	50-249	Total 1-249	Over 250	TOTAL
2001	389	544	368	1 301	152	1 453
2002	351	401	268	1 020	132	1 152
2003	366	402	213	981	134	1 115
2004	355	342	172	869	128	997
2005	266	228	113	607	97	704
2006	244	215	113	572	94	666
2007	251	192	100	543	90	633

Micro-enterprises (with 1 to 9 persons employed) are the dominant size class – in 2007 they are 88.9 per cent of all surveyed private enterprises and 89.2 per cent of all SMEs. While in the period between 2004 and 2006 their number only registered a modest increase - a little over 1per cent per year, in 2007 they increased

considerably - by 10.2 per cent, and are already 19.6 per cent more than they were in 2001.

Small enterprises (with 10 to 49 persons employed) are almost 10 times less in number than micro-enterprises – 22 745 in 2007. Over the entire 2001-2007 period, their number has been growing at the fastest rate (by 86.7 per cent) as compared to the remaining size classes. In 2002-2003, the annual increase reached a double-digit number. For 2007 the increase in their number was 6.7 per cent, and they amount to about 9 per cent both of the total number of surveyed private enterprises, and of SMEs.

Medium-sized enterprises (with 50 to 249 persons employed) are almost 5 times less than small enterprises and their share has been kept for some time under 2 per cent of the total number of SMEs and private enterprises, in spite of the fact that between 2005 and 2006 the annual increase in their number was the fastest when compared to remaining size classes. In 2007, they were 67 per cent more over 2001, and 8.2 per cent more over the preceding year 2006.

1.2. Statistical data and profile of workers

The number of **persons employed** in SMEs in 2007 is 1 410 572 people, or 38 per cent of the total employment in economy (3714 thousand persons employed under the national accounts methodology), up from 28 per cent in 2001. The increase in employment for SMEs over the period 2001-2007 has been faster both when compared to the increase in the overall employment in the economy and the increase in employment for larger enterprises in the population surveyed.

For the entire period, the number of persons employed in SMEs increased by 57 per cent over a 30 per cent increase in employment for large enterprises and only 15 per cent increase of the persons employed in the economy as a whole. The employment rate in SMEs grew the fastest in 2002 and 2003. In 2004-2006, however, growth in the number of persons employed in SMEs was slower than in large enterprises. The slow-down for all SMEs is entirely due to microenterprises, because employment rates for small and medium-sized enterprises (2005-2006) were well ahead of those for large enterprises. In 2007, SME employment experiences another boost (from a little under 6 per cent for 2004-2005 to 7.5 per cent), which is again entirely attributable to micro-enterprises in which the annual growth in the number of persons employed increased considerably from 0.8 per cent for 2006 to 7.6 per cent. In small and medium-sized enterprises growth in employment was somewhat slowed-down in 2007, but is almost twice the value for large enterprises, which also experienced a slow-down (to 3.9 per cent).

Labor productivity in SMEs continues to be over twice lower than that of large enterprises. This indicator increases with the increase of the enterprises size. Since 2005, the productivity of SMEs has begun to improve when compared to that of all surveyed private enterprises and in 2007 it is already 82 per cent of it. The improvement over 2006 is attributable to all three sub-classes, but mostly to micro-enterprises.

2. Comprehensive management on crafts SMEs

2.1. Current legislation

The Law on Crafts, in force since 28.05.2001 adopts the principle of obligatory membership in the regional crafts chambers, provides for the setting up of a National Crafts Chamber (NCC), which: implements the overall policy for the protection of the interests of the craftspeople and their organisations; organises training for craftspeople, partakes in the development of projects and prepares opinions on regulatory acts related to crafts and crafts training; adopts rules and document forms, provided by the law; adopts professional rules; prepares the rules for its carrying out and monitors the performance; summarises the information received from the regional crafts chambers and if necessary makes proposals to the state authorities for state intervention in the crafts sector; keeps a central register of craftspeople on the basis of the regional registers; coordinates the activities of the regional crafts chambers.

2.2. Craftsman's function as manager of his/her own enterprise

3. Training and craftsmen

3.1. Craftwork activity within the educational system – no formal connection between crafts and education system. Even if you're graduated specific subjects you still have to pass an exam to become a master.

The secondary vocational schools doesn't provide enough practical training for their students, so in the end they are theoretically prepared with no practical experience

INFORMATION

About the

Services offered by the National Chamber of Craftsmen

Seminars and training for associates of the Regional Chambers of Craftsmen:

Subjects:

- ✚ Registers keeping of craftsmen, of masters, of apprentices – methodological instructions about the software.
- ✚ Book keeping of the compulsory documentation – contracts with the teaching masters, financial documents, etc.;
- ✚ Selection of Crafts Workshops willing to hire new apprentices – procedures and documentation.
- ✚ Necessary connections with the local authorities.

Courses for Masters to be:

Economical subjects:

- ✚ Individuality of my production and quality of my services, the importance of the brand.
- ✚ Working with customers;
- ✚ What we need to know about the competition and its task.
- ✚ Competitiveness of my products and services;
- ✚ Owner or Manager of SME;
- ✚ Consultants and their services.
- ✚ Business-communication;
- ✚ Practical Workshop - how to register a crafts workshop? How to keep records of my costs? How to fill financial and tax documents?
- ✚ Master License – how to legalize it and can I work with it abroad? European qualification passport.

Pedagogical Training

- ✚ What I need to know to train an apprentice – legislation and why I need the Regional Chamber of Crafts.
- ✚ How to choose my apprentice and why he chooses my – is my craft suitable for him/her.
- ✚ What does training at work means and what do I need to know about it.
- ✚ How to monitor the progress of the apprentice – evaluation – simple or complicated
- ✚ How to assess whether my workshop provides the necessary training environment and if not how to create it;

Development and dissemination of:

- ✚ Information and methodological materials in favor of the training masters and members of the Regional Chambers of Crafts.

- ✚ Crafts Training from A to Z
- ✚ Other materials requested by our clients.

3.2. Education and training outside the educational system: craftsman as a self-taught person

Apprentice

Apprentices are the persons who work or study crafts in a craft enterprise. An apprentice can be trained only by a master. Only persons reached the age of 16 that are not attending in other educational institution can become apprentices. The training must be connected with the crafts practiced in the enterprise, and it must take place in the proper facilities. The number of apprentices is defined by the potential of the enterprise but no more than two per master.

The training is conducted in compliance with the rules of training, adopted by the National Crafts Chamber and approved by the National Agency on Vocational Education and Training. Those rules devine:

- Duration of the training – at least 3 years, but no longer than 4 years
- Skills and knowledge to be trained
- Crafts that can be part in the training
- Requirements for the completion of the training
- Management and control of the training
- Documents that certify the completion of the training

Before the start of the training the apprentice and the master should sign a contract specifying:

- Duration of the training
- Subject of training – the craft
- Financial relations between the master and the apprentice
- The Labour relations between the master and the apprentice are regulated by the Labour Code of Bulgaria.

The Regional Craft Chambers must keep registers of the trained apprentices in the craft enterprises, in order to facilitate the monitoring and control of the training.

The training of the apprentice completes with Journeyman Exam.

Journeyman

Journeyman are the persons who are constantly practicing a specific craft in a craft enterprise.

A journeyman could be any man who complies with the following rules:

- An apprentice, who has passed the journeyman exam
- A person who hasn't been an apprentice in a craft enterprise, but practices a craft for at least 3 years and has passed successfully the journeyman exam
- A person who has second or third degree of vocational qualification according to the Law on Vocational Education and Training, if it is relevant to a certain craft.

The journeyman exam should define whether the examinee possesses all the necessary theoretical knowledge and practical skills to practice the craft dependently. If the journeyman passes the exam successfully, he or she receives a journeyman certificate issued by the Regional Craft Chamber. The National Craft Chamber (NCC) issues the rules for the exam which stipulate:

- Conditions for admission
- Plan of the exam
- Place of the exam (craft enterprises)
- Number of the exams
- Conditions and rules for certification

The exam is monitored by commissions constituted by the Regional Craft Chambers (RCC). They are elected every 5 years and consist of at least 3 members. The members of the commission must be masters and journeymen in the same craft. The chairman is selected by the RCC. The commission organizes journeyman exams twice a year.

The RCC keeps a register of the journeymen, in a manner defined by the NCC.

Masters

Master in a certain craft is a person with Master's Certificate, issued by the NCC. This certificate is given after the Master's exam, if passed. There is no limitation of the number of Master's Certificates that a man can acquire. The National Craft Chamber issues the rules for the exam which stipulate:

- Conditions for admission
- Plan of the exam

- Place of the exam (craft enterprises)
- Evaluation criteria
- Number of the exams
- Conditions and rules for certification

The master exam should define whether the examinee possesses all the necessary theoretical knowledge and practical skills to practice the craft independently, to run the craft enterprise and to train students.

The master's exam goes through 3 stages:

- Practical
- Theoretical, including knowledge in the field of management and organization of craft enterprise.
- Pedagogical.

The NCC organizes the training of the examinees. The person allowed to sit for the exam must have practiced the craft for 3 years as:

- Journeyman, or
- Must have graduated the relevant subject

The management board of the RCC can however admit a person who doesn't comply with the preceding requirements, to sit for the exam, if the latter has practiced the craft abroad, can't provide the necessary documents or there are other justifying reasons.

The NCC selects a commission to run and monitor the exam. This commission is selected every 5 years. It consists of at least 5 members, who must be masters in the craft subject of the exam. The Chairman of the commission is elected by the NCC. The commission holds the exam twice a year.

The RCC keeps a register of the masters, in a manner defined by the NCC.

3.3. Barriers and/or difficulties for accessing training

The basic barriers are the training conditions and the lack of funds to support those activities.

According to the Chairman of the NCC Mr. Capanov:

"The craftsmen remain unnoticed or considered incapable to run European projects. They can be involved only as a silent partner and that's a paradox. This shows the attitude towards crafts in Bulgaria. This has to change."

4. New technologies in craftwork activities

4.1. Importance of ICTs in the productive process

The Role of ICT. Analyses show that ICT investment are more efficient and have higher return compared to other infrastructure investment. Of paramount importance is the proliferation of broadband services – according to experts, increase of broadband service uptake by 10 per cent would translate into an increase of 1.2 per cent in GDP.

Unfortunately, latest World Economic Forum data on the use of ICT⁸² show that Bulgaria's position is unfavorable – it ranks 107 of 134 countries on preparedness to use ICT. Particularly poor is the performance on indicators like Extent of Business ICT Use (107 place), FDI and Technology Transfer (104 place). The country scores better on Laws Relating to ICT (43 place). Statistical data allowing some optimism include: Internet Users – 31 per cent of the population (Bulgaria ranks 56 on this indicator, scoring higher than Romania), Mobile Telephone Subscriptions (11 place with 140 per cent of the population – on this indicator the country takes a lead over all EU Member State excluding Italy); PCs per 100 Population – 67 place – 8.9 per cent; Broadband Internet Subscribers – 43 place with 11.2 per 100 population (Bulgaria scores better than Poland and Latvia).

With a view to encouraging ICT implementation, in early 2009 the Coordination Council on Information Society coordinated and approved **National Broadband Program of the Republic of Bulgaria**. The Program sets a target of 100 per cent broadband access (simultaneously to data, voice and video services online) in the big towns, which host 75 per cent of the Bulgarian.

4.2. Role of ICTs for training the craftsmen: e-learning as a new learning environment

There is a Center for Vocation Training within the National Chamber of Crafts. This Center offers the following courses related to ICT:

- Initial computer training
- Working with MS WORD
- How to prepare a presentation