

HUMAN POTENTIAL DEVELOPMENT FOR AN INOVATIVE SOCIO-CULTURAL SPHERE



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FOR AN INNOVATIVE SOCIO-CULTURAL SPHERE**

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PRELIMINARY REMARKS

The presented monograph is a result of the activity on project “RP-A15/18 Human Potential Development for an Innovative Socio-Cultural Sphere”. The project was realized in 2018 by a research team from the Faculty of Economics at South-West University “Neofit Rilski” Blagoevgrad with Prof. Dr. Maria Kicheva as project leader and members: Prof. Dr. Albena Vutsova, Assoc. Prof. Dr. Akulina Stefanova, Assoc. Prof. Dr. Temenuzhka Karolova, Assoc. Prof. Dr. Vyara Kyurova, Assoc. Prof. Dr. Rayna Dimitrova, Chief Assist. Prof. Dr. Petar Parvanov, Chief Assist. Prof. Dr. Tsvetana Antipesheva, Chief Assist. Prof. Dr. Vladislav Krustev, Chief Assist. Prof. Dr. Lyubov Ivanova, Assist. Prof. Dr. Irina Atanasova, Assist. Prof. Dr. Cvetomir Cvetkov, Assist. Prof. Dr. Boryana Dimitrova, Assist. Prof. Dr. Blagovesta Koyundzhiyska, Lecturer Dr. Olga Kostadinova; PhD students: Avgustin Milanov, Vasil Mihaylov, Vasilissa Karukova, Emiliya Sharenska, Margarita Stoeva, Nadezhda Petkova, Zaharula Likopolu and students Aleksandar Bozadzhiev, Ivana Adzhova.

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INTRODUCTION

The people, their creative qualities, strength and capabilities, which help them transform themselves and the world around traditionally take a central place in economic and social sciences. The significant structural changes in the world economy posed by the increasing role of the scientific and technical progress and by the computerizing inevitably lead to the necessity for the theoretical revision of the work force reproduction issue and the importance of the human factor for the economic development. This manifests into the shift of the focus of the subject of the study from the analysis of the available labour force to the problem of its establishment in terms of its quality. The aspect view is towards the fundamental changes in the economic reality related to the increasing globalization and technological achievements, including the information and communication technologies' sphere, which require an accumulation of intangible elements of public wealth such as increasing the level of education of the population, scientific achievements, general culture and morality, motivation, endeavours, etc. The society's evolutionary development is accompanied by an evolution in the person's status in the society's economic system. Labour is the most fundamental part of a human's life, being a realized, targeted and resultative activity by itself, and concepts in this area are most dynamically transformed.

The monograph's structure consists of three chapters. The first one is dedicated to a theoretical analysis of historical, legal, theoretical and methodological aspects of human potential. The second chapter studies the interaction between human potential and the socio-cultural sphere. The third chapter focuses on the analysis and assessment of human potential for an innovative socio-cultural sphere.

The study in the monograph is a multi-faceted. The national realities, the experience of developed countries, theoretical analyses and practical needs are the fulcrums used for finding the sought answers. The shift in movement of the research interest from the analysis of separate problems and processes to a theoretical synthesis and from then on to the variable realities of the processes is inevitable in this cognitive and practical context. The search for theoretical summaries is not an aim in itself on behalf of the authors, but an incentive for new empirical research.

These are the basic ideas that guide the analysis and the conclusions in the proposed monograph. Not only the achievements, but the lessons learned, which can be drawn from the failures in the processes and the development of human potential, are what is important for both the scientific and practical experience as well. It is pivotal for this experience to be directed more towards rationality and humanity in both human activity and in social relations. Well-understood and effectively managed, they should be what take society out of the state of lagging and contradiction with current economic and social needs and even more with the prospects for their development.

CHAPTER ONE

Problem Outlining – historical, legal, theoretical and methodological aspects

ESSENTIAL HUMAN POTENTIAL DEVELOPMENT CONCEPTS

Chief Assist. Prof. Dr. Petar Parvanov

Economic processes in the contemporary society become more and more dynamic and wider in range. The boundaries are steadily being diluted and every human activity leads to economic results and it can be regarded as such. This leads with itself to the fundamental scientific argument whether economics is a separate science or whether it is a part of the comprehensive subject of sociology; whether the subject of the very sociology, under the name “economic”, is a part of the economics or this is a science that studies only a part of human relations¹. In the end, a person is a social creature and every activity that they undertake, including economic ones, is positioned in a particular habit and in the corresponding relations². According to Milton Freedman a person is a rational being in their economic activities³. Nevertheless, this should be translated not only onto purely economic activities, but also onto every activity that leads to economic results i.e. onto every human activity as each and every one of them can be regarded as economic as long as its intention can be regarded as economic⁴.

The diversity of approaches in the economic sphere leads to the diversity in the interpretation and understanding of basic economic terms amongst which is the capital. According to F. Brodel “the word capital (caput – “head” in latter Latin) appears around XII – XIII c. and it means property, accumulation of goods and monetary masses or money that bring profits.”⁵ This term is constantly being developed in the economic thought during the centuries with “capital” taking more and more new meanings, which include land, money, means of production and so on. “Capital” does not lose its basic meaning that it should be funds (in every meaning of the word) which give additional (added) value to the capital owner⁶.

The extended view on capital leads to the differentiation of different types of capital in terms of it being a resource that brings revenue. The following types of capital are identified: economic capital – it originates directly from the economic activity; social capital – as far as common good is being created from economic activities for every beneficiary possible, networks, relationships, etc.; and human capital that belongs to the

¹ Swdberg, R., (2003), Principles of economic sociology. Princeton university press.

² Zimel, G. Sociolgy. PIK. Veliko Tarnovo 2002; Stoilova, V. Exchange and enrichment. – N. UNWE Scientific Works. V. 1. C. 2010, 60; Bourdieu, P. Practical Reason. Critics and Humanism. S. 1997.

³ Friedman, M. (1953), Essays in Positive Economics. University of Chicago Press.

⁴ Ricoeur, P. Oneself as Another. EA. Pleven 2004.

⁵ Brodel. F. The Games of Exchange. Window. S. 2003, 201.

⁶ Kyoseva, N. Economic Theories. NBU, S. 2009.

personality but it flows into the community's social capital, a part of which being the personality as well. In this sense the very individual, which possesses human capital, is the one who has development potential.

According to one of the main researchers of social capital "By analogy with the definition for material capital and human capital – means and qualification that increase individual productivity, the term "social capital" characterizes those aspects of the social organization – networks, norms and social trust – that facilitate the coordination and the mutually beneficial cooperation"⁷. This is the reason why social capital is defined as a public good (a common good). It is everything that can be considered as public. He continues „ Life is easier, due to various different reasons, within a community that benefits from the availability of a considerable amount of social capital. Firstly, civic participation networks establish stable norms of aggregated reciprocity and encourage the formation of social trust. Similar networks facilitate the coordination and communication; they increase prestige and thus allow for the successful solving of dilemmas related to the collective activity. Incentives for opportunism decrease when economic and political negotiations are situated in a dense network of social synergies. In the same time, civic participation networks are an embodiment of the successful cooperation in the past, which can be used as a cultural matrix in the future. Finally, the dense network of interactions probably extends the understanding of the participants for their own personality, whose "me" translates into "we", or (if we use the rational action theory language) it enhances their "taste" for collective goods"⁸. Amongst the other main social capital researchers we should mention P.Bourdieu and D.Coleman⁹. Mark Granovetter claims that economic behavior is a social structure.¹⁰

As it became clear, human capital is the set of a person's knowledge and skills that they form in themselves and that they develop throughout their life, irrespectively of the fact whether the latter are acquired in a formal or in an informal manner. Everyone contributes to the formation of social capital through the application of their human capital. Among the major theoreticians of the human capital theory, which has been

⁷ Putnam, R. Playing golf alone: the increasing social capital in America. – Critics and Humanism Journal, book 41, special edition 2013, 175.

⁸ Putnam, R. Playing golf alone: the increasing social capital in America. – Critics and Humanism Journal, book 41, special edition 2013, 175.

⁹ Bourdieu, P. (1984). *Distinction: A Social Critique of the Judgement of Taste*. Harvard university Press; Coleman, J. Social Capital in the Creation of Human Capital - *The American Journal of Sociology*, Vol. 94, Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure. (1988), pp. S95-S120; Coleman, J. Social Theory, Social Research, and a Theory of Action - *The American Journal of Sociology*, Vol. 91, No. 6. (May, 1986), pp. 1309-1335.

¹⁰ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004.

considered as one of the fundamental factors for economic activity, are Jacob Mincer, Gary Becker, Theodore Schultz, Robert Gibson¹¹.

According to R. Putnam "Social capital is related to characteristics of the social organization such as trust, norms and networks that can improve society's efficiency through the encouragement of coordinated actions". Social capital is a public right and a side effect from social relations. The whole community, to which the person who creates social capital belongs to, benefits from it¹². Social capital is "productive i.e. it is used in a manner which allows for the participants to achieve particular aims, which would not have been possible without it or the aims would have been reached at a much higher cost"¹³. Social capital unequivocally has an influence on economic development; it decreases poverty and leads to growth¹⁴. According to James Coleman "Social capital is every aspect of informal social organization which constitutes an input for one or more individuals"¹⁵. According to Pier Bourdieu "Social capital is the aggregate of actions or potential resources which are connected to the managing or a steady network of more or less institutionalized relations of reciprocal knowledge and acknowledgement"¹⁶. The types of social capital are divided according to its functions and in dependence of the context and culture that it belongs to. There are different levels, according to the communities that it is realized into – small, medium and large. The capital can be subjective and objective; formal and informal; depending on the communities' structures; according to the individual or the community it can be primary or secondary¹⁷. In any case, trust is of the utmost importance when it comes to social capital¹⁸. This is how D.Nedelchev systemizes social capital from the perspective of classic economics: "the individuals' ability to ensure benefits through participating in communities and social networks; every aspect of an informal social organization that constitutes an input for one or more individuals; the powers which increase the opportunity for economic development in a society; the norms and networks that allow collective actions for increasing the poor's access to resources and to economic opportunities and participation in the local management"¹⁹. This is the reason for the accumulation of social capital from the mutual commitment to social activities. It corresponds to a non-contractual framework. It is accumulated in social

¹¹ Mincer, J. (1993) *Studies in Human Capital*. Edward Elgar Publishing; Becker, Gary S. (1962). "Investment in Human Capital – a theoretical analysis". *The Journal of Political Economy*. 70(5): 9–49.; Schultz, Theodore W. (1961). "Investment in Human Capital". *The American Economic Review*. 51(1): 1–17; Gibbons, Robert (1992) *Game Theory for Applied Economists*, Princeton University Press.

¹² Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 27.

¹³ Chavdarova, T. *New Economic Sociology*. East West. S. 2016, 104.

¹⁴ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 11.

¹⁵ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 27.

¹⁶ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 28.

¹⁷ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 29 – 35.

¹⁸ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 32 – 35.

¹⁹ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 36.

activities²⁰ – a statement that leads us to the social enterprise notion. As “Social capital has an indirect influence on economic growth”²¹ and „it represents the connection between other types of capital²², it is the whole edifice of social structures. „Social capital depends on the properties of the social structure and in particular on the closedness of social networks, on the continuity in social relations and on their complexity”²³. One of the activities that have an economic aspect and for which the importance of social capital has been demonstrated is education”²⁴.

All of the statements above refer us to the idea of a social enterprise that corresponds to the social capital theories, its institutionalization and the economic benefits from it. This leads to the idea that the social enterprise should be treated from the point of view of the economists from the Austrian school of economic thought from the end of 19 century and the beginning of 20 century, who connect the social capital with necessity, goods, value and economic activity in a manner which allows for social entrepreneurs to have a motive for the creation and functioning²⁵ of a social enterprise.

The functioning of a social company should also be based on its institutionalization as “The term for law, named as well as “personal law”, and developed as such in the western legal tradition, is a term for a privilege that it is being attached to”²⁶. Based on the foundation of the institutionalism and neoinstitutionalism economic theories, the state, through its legislative authority, institutionalizing the social enterprise will create an opportunity for its higher efficiency – an opportunity that is created through the decrease of contradictions between social subjects and their institutionalization. According to the theoretical views of the institutionalism and neoinstitutionalism economic theory institutions are formal and informal. Informal institutions are structured on morals and good norms which, from a legal point of view, lead us to moral norms. Formal institutions are based on strictly defined rules which, yet again from a legal point of view, lead us to legal norms. Consequently, social enterprises in the Republic of Bulgaria should be institutionalized in order for their economic utility to be increase i.e. the state, through its right, to increase the economic rentability of the social enterprise²⁷.

²⁰ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 55.

²¹ Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 94.

²² Nedelchev, D. Social capital and economic development. AP „Marin Drinov“. S. 2004., 223.

²³ Coleman, D. Perspective of the rational choice for economic sociology. – Antology Journal. Economics and Sociology. LPH. S. 1999, 79.

²⁴ Coleman, D. Perspective of the rational choice for economic sociology. – Antology Journal. Economics and Sociology. LPH. S. 1999, 91.

²⁵ Bekyarova, K. B. Velev, I. Pipev. Economics theories. PH „Hermes“, S. 2011, 507 – 521.

²⁶ Taylor, Ch. Aza’s springs. Sonm. S. 2003, 19.

²⁷ Bekyarova, K. B. Velev, I. Pipev. Economics theories. PH „Hermes“, S. 2011, 565 – 590.; Sedlarski, T. Economics and Law: economic analysis on the emergence and effects of legal norms – Economic Alternatives Journal, issue. 1, 2011, 82 – 102; Nort, D. Institutions, institutional change and economic results. LPH, S. 2000; Popov, T., T. Sedlarski. Institutional economics: opportunities and unused potential. UPH „St. K.

In that respect, we should keep in mind that the human potential development is cumulative - depending on what a person has accumulated throughout the process of developing their personal qualities; on all of what a person has acquired in terms of knowledge, skills and competencies in the span of their personal and professional life and on everything that is being looked upon as human capital, but also on the means and the environment in which a person develops, because every individual is restricted by their surroundings and their actions are directed towards a particular goal. Factors, which can be classified as internal or external, have an influence on the direction of development. The internal ones are the interactions in the process and the external ones are general rules that can have an influence on the relations within. Those factors can be divided further into formal and informal factors that in the spirit of the institutional economy should be treated as legal and moral norms of behavior. All of these conditions mentioned above allow a particular person to develop or to not develop their human potential at a particular working place as its development can be positive or negative as well as general or partial²⁸.

Ohridsky", S. 2012; Sedlarski, T. New Institutional Economics. UPH „St. K. Ohridsky“, S. 2013.; Douglass C. North (1995). "The New Institutional Economics and Third World Development," in The New Institutional Economics and Third World Development, J. Harriss, J. Hunter, and C. M. Lewis, ed., pp. 17-26.; Olson, M. (1982). The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities, Yale University Press.

²⁸ Kamenov, K. Modelling environment and human potential. – Dialogue, Book. 3, 2011, 14 – 24; Vladimirova, K. Human resources management: policies for resources or for potential development and social progress – UNWE Yearbook, book. 4, 2012, 95 – 138; Vladimirova, K. Human potential for economic growth and competitiveness of Bulgarian economy. Economic and social dimensions - UNWE Yearbook, book. 4, 2007, 124 – 174; Zahariev, A. Prospective thoughts on human capital - Dialogue, book. 3, 2011, 104 – 110; <http://www.iris-bg.org/>.

THE INFLUENCE OF CONFLICT OF INTERESTS ON THE DEVELOPMENT OF HUMAN POTENTIAL

Chief. Assist. Prof. Dr. Vladislav Krastev

According to his theory of capacities, Amartya Sen defines economics as a moral science, exploring topics related to the development of individual freedom as a responsibility of society; social responsibility and inequality; theory of the choice of the society and many others. According to him, "economic development goes through capacity building of individuals, institutions, organizations and territories for the effective development and use of resources." It is of a crucial importance the concept of the "individual", their capacity (education, vocational training) and how they will consume the possible resources (individual rights, infrastructure and institutions).

1.- Human capital and education

Human capital is formed from the acquired knowledge, skills and work experience of the individual, which is their personal property. In the increasing of human capital can invest its owner and those who will use it. The investments, made to increase the capital, does not always lead to an increase in its potential as it depends primarily on providing an enabling environment for its implementation. "This is the only resource whose efficiency, productivity of research is increasing parallel with the investment in it, but also with the created motivation to realize these opportunities"²⁹. Among the factors for the realization of human potential on one hand, is the motivation of the holders of certain human capital and on the other, its management, which involves the provision of modern and appropriate conditions of employment as well as its adequate remuneration.

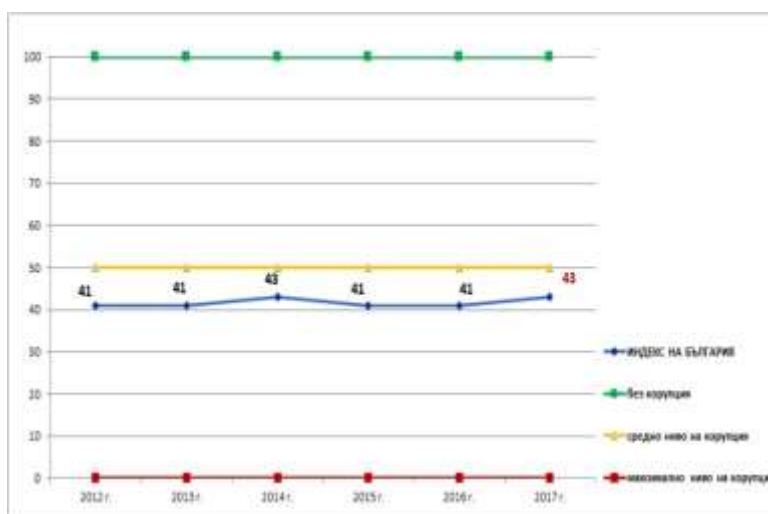
Education and employment contribute to the development of human capital. Providing quality education is a prerequisite for achieving a high level of human capital, which would impact positively on the formation of a competitive environment, generating services and high quality products. In this regard, the state policy in the field of education in Bulgaria is facing a number of problems that continually worsen. Some of the major problems are demographic crisis, associated with low birth rate and the sustainable emigration of young citizens. As a result of funding through delegated budgets in education, the number of students is a priority. This in turn can lead to a change of policy towards the students – the quality of the training at the expense of the quantity of the trainers. 'Fighting' for each pupil and student can lead to a compromise on their preparation. The state policy is contradictory, because on one hand it demands high-level training of teachers, but due to the policy applied for funding, schools are forced to lower requirements to prepare trainees not to lose a single student or pupil. This is one of the

²⁹ Vladimirova, K., Human potential for economic growth and competitiveness of the Bulgarian economy, Economic and social dimensions, 2007, p. 136.

main prerequisites for reducing the criteria for evaluation, leading to demotivation of students who want to gain more knowledge. Consequently, despite the desire to improve the quality of teaching and to provide free access to global information resources, the emerging non-competitive environment reflects the motivation for learning and personal, career growth, and this directly affects the quality of human capital on which depends the future of our country.

On the other hand, the lack of motivation in 'teaching' leads to demotivation of "trainers", which often provides a suitable environment for the emergence and development of corruption, which is found in the report of the European Commission to the European Parliament and the Council³⁰. In this connection the problem of "corruption" in education has a negative impact on human capital and potential. According to the study of Association "Transparency International" for 2017, "the education sector around the world has been severely affected by the corruption and requires joint efforts of state institutions, all structures of the education system and the civil society to prevent corruption and to be formed next generation of citizens who are irreconcilable with this problem"³¹. Chart No1 below shows that the index of perception of corruption in our country is 43 in 2017, which is 71 in the world ranking, but in the ranking of countries, members of the European Union it is last (the average value of the index for the EU 65).

Chart No1: Trends according to the Corruption Perceptions Index of Bulgaria 2012 – 2017



Source Http:

[//transparency.bg/download/%D0%9A%D0%B0%D1%82%D0%B5%D0%B3%D0%BE%D1%80%D0%B8%D1%8F/Corruption_Perception_Index_2017_TI_BG_FINAL.pdf](http://transparency.bg/download/%D0%9A%D0%B0%D1%82%D0%B5%D0%B3%D0%BE%D1%80%D0%B8%D1%8F/Corruption_Perception_Index_2017_TI_BG_FINAL.pdf)

³⁰<https://eur-lex.europa.eu/legal-content/BG/TXT/HTML/?uri=CELEX:52008DC0495&from=BG>

³¹http://transparency.bg/download/%D0%9A%D0%B0%D1%82%D0%B5%D0%B3%D0%BE%D1%80%D0%B8%D1%8F/CPI_2017_Questions_Answers_BG_2.pdf

2.- Conflict of interests

Conflict of interest (KI) as a legal institute, emerged in the Bulgarian legal system in 2008. According to our legislation conflict of interest is a type of administrative violation³², The reason for this is the lack of sufficient high degree of public danger which can give the definition of "offense" as a crime.

One of the main reasons, but not the only are the annual reports of the European Commission stemming from 2007³³, in which special attention is paid, against corruption in Bulgaria and the legal gap in one of the expressive forms of corruption- the conflict of interest. Under the pressure of the annual monitoring by the European Commission (EC), which was tracking the progress of Bulgaria in 2008, a draft regulation was created on the matter of the conflict of interest and subsequently it came into force on 01.01.2009 with the name "Law on prevention and disclosure of conflict of interests."

As main reasons for drafting this law, are the legislative gap in our legal system, the constantly growing negative opinion of the society and the growing sense of the existence of corruption in the public sphere. The necessity to create a law was dictated by the need for the establishment and operation of a single system to identify and punish the manifestation of conflict of interests in the public sphere. In a later stage of development of our anti-corruption legislation and in particular by the Law on Prevention and Disclosure of Conflicts of Interest, at the end of 2010 was created collective, centralized state authority to identify, detect and sanction the appearance of conflict of interest, especially for a particular category of individuals, having power resources in the public sphere. Until the adoption of the discussed law³⁴, the concept - conflict of interest occurred in the legal literature, where it had different legal regulation and accordingly its effects were associated with its different, controversial legal interpretation. "The fragmentation and the incompleteness"³⁵ of the legislation creates a feeling in society for the lack of clear state policy against this negative phenomenon, which provides a favorable environment and contributes to the development of corruption in the country.

The reason for such a law to be created is the lack of a system of guarantees for the exercise of power resources in the public interest and the unsatisfactory effect of

³² See. also Nikolov, N. conflict of interest under Bulgarian law S. 2012, p. 32.

³³ <https://eur-lex.europa.eu/legal-content/BG/TXT/HTML/?uri=CELEX:52007DC0377&from=BG>

³⁴ By 2006, the term "conflict of interest" is present in Bulgarian legislation without a common legal definition. This can be supported with the following specific examples:

- Art. 13 of the Law on Bank Deposit Insurance is entitled "Disclosure of conflicts of interest. Confidence";
- Chapter Four of the Privatization and Post-Privatization Control entitled "Conflicts of Interest";
- Chapter Six of the Law on Credit Institutions also entitled "Disclosure of conflicts of interest. Confidence";
- Chapter Four of the Law on Special Investment Purpose - "Disclosure of information and conflict of interest" and so on..

³⁵ Kaneva, N. Comment on the Law on Prevention and Disclosure of Conflict of Interest, S., 2011, p. 10.

applying existing at that time ethical rules. The main objective of the created law is a demonstration of political will to rejection of the use of power resources and public funds to private interests³⁶.

The conflict of interest could arise for any individual, employed in the public sphere, the conditions and the reasons are numerous. Typical for the conflict of interests is that it is considered to be manifestations of corruption, which in turn leads to negative consequences for the society. Public confidence in the impartiality and the effectiveness of the government was almost destroyed, partly because of the Commission's reports on the progress of Bulgaria and the Republic of Romania. Despite the negative attitude and the lost faith to achieve real results in the fight against corruption from the society, anti-corruption legislation exists at the moment in Bulgaria and it is constantly evolving and improving. Created in 2009, the Commission for establishment and prevention of the conflict of interest has a positive impact on the motivation of the citizens and the signals for the conflict of interest increased³⁷. Currently the new ACT ON COUNTERACTING CORRUPTION AND ON SEIZURE OF ILLEGALLY ACQUIRED PROPERTY (ACCSIAP)³⁸ is in force, where a substantial portion is directed to prevent, identify and sanction conflicts of interests for individuals with senior public positions.

According to Art. 52 of (ACCSIAP) "conflict of interest arises when a person holding a high public position has a private interest that could affect the impartial and objective performance of the powers or duties of his office." The development of unified legal definition of the concept is an essential step in the fight to prevent the emergence of a situation of "conflict of interests". The introduction in 2009 of the legal definition of the conflict of interest, the Bulgarian legislature did not only gave a definition to the problem, but also outlined the prerequisites for its occurrence. Along with that, the limit is determined and its passage of it from a person holding public position can lead to infringement of the rights and interests of citizens.

The abovementioned definition of conflict of interest reveals the presence of three cumulative conditions for its occurrence. The first of them reveals whose are the possible subjects of the conflict of interest. For our legal reality, these are individuals with senior public positions, according to ACCSIAP. Any person holding such an office has power resources that should be used within the limits established by the Code of Conduct, for which they bear responsibility for their actions in front of the state and the society.

³⁶ Private within the meaning of Art. 53 ZPKONPI is every interest that leads to benefit from tangible or intangible character of a person holding high public office or parties related to it, including any commitment.

³⁷ A finding in the Report of the Commission to the European Parliament and the Council on progress in Bulgaria under the Cooperation and Verification 2012

³⁸ Updated- State Newspaper, issue 7 of 19 January 2018. amend. and supplemented. issue 20 of 6 March 2018. suppl. Issue 21 from March 9 2018.

With the development of anti-corruption legislation, the category "person holding public position", which was introduced with the Law on preventing and detecting conflicts of interest (LPDCI) was changed to "a person holding senior public position" in the ACCSIAP, where senior public positions are listed in the provision of Art. 6. The detailed list of these individuals is important because thus the addressees of the law are identified. Therefore situation of a conflict of interest and application of the law can be implemented only for a particular person occupying high public position. Otherwise, the procedure for establishing the conflict of interest would be unacceptable and unlawful.

According to Art. 53 ACCSIAP, the second prerequisite for conflict of interest is the presence of private interest of the person holding the senior public position. Private is any interest that leads to benefit from tangible or intangible character of a person holding high public position or parties related to it, including any commitment. In this context it may be noted that such a situation is primarily a matter of conscience, morality, motivation and the will of any person occupying high public office.

The third prerequisite for the emergence of the conflict of interests is that the private interest could affect the impartial and objective exercise of the powers or duties of the position. There should have a real possibility of the occurrence of benefit. If the benefit is not realized or there is not enough evidence collected to prove its presence, then there is no way that the private interest have arisen. Therefore there is no way for the person holding senior public position for the conflict of interest to arise³⁹.

During the performance of their official powers or duties individuals, occupying high public office, have a power resource to participate in decision-making and implementation of actions that may conflict with their personal interests. In such situation could arise a clash between their powers and obligations, aimed at realizing the public interest and their personal objectives and commitments that they have as a senior public officers. In practical terms, this situation allows the person holding real access to power resources to be able to use this resource in the personal interest or for the interest of related parties, not for the effective functioning of the socio-cultural sphere. This inevitably affects its credibility, which is prerequisite for the decline in the public trust.

The emergence of a conflict of interest situation is possible only when there is an action or omission of action by the person holding senior public position which will lead to a benefit. "Benefit" according to Art. 54 ACCSIAP is any income in cash or in property, including acquisition of shares and granting, transfer or waiver of rights, receipt of goods or services free or at prices lower than the market ones, gaining privilege or honors,

³⁹ Commission for prevention and detection of conflict of interest, Decision № PC-001-16-004 town. Sofia on 02.07.2017

support, or influence, advantage, receiving or promise of an employment, position, gift, reward or promise to avoid loss, liability, penalty or other adverse event.

Conflict of interest situation can occur in any part of the socio-cultural sphere. The main role in preventing its occurrence and functioning are the design and implementation of a number of codes of conduct, which outline the general basic ethical rules and standards of conduct. Individuals, occupying senior public positions often find themselves in situations where they can use their status and power resources for personal gain. This situation is not reprehensible, if it is not a prerequisite the individual to choose their front public interest, which will lead to the emergence of conflict of interest. The higher the morality of the individuals, employed in senior public positions in the socio-cultural sphere, the higher is the possibility of the situation where conflict of interest will be limited.

In 2009 the European Commission stated the need to take further measures to prevent and fight corruption, in particular at the borders and within local government⁴⁰. The report states the health and the education, as "vulnerable"⁴¹ to corruption, which affects equal access to the health care system and attitude towards Bulgarian diplomas. Those government spheres provide a favorable environment for the development of corruption and conflict of interest in each country. For example, in the US despite strict legislation in this area are found relatively frequent conflict of interest, which effects reflect on countries located in other continents⁴².

For example, one of the most common abuses of power resources, according to our civil society, are relatives' employments, that could be considered as immoral and can be a signal of possible corruption. In the practice of the Commission for prevention and detection of conflict of interest many signals are detected of conflict of interest in various areas of the socio-cultural sphere.

In the sphere of education⁴³ the most common signs of conflict of interest is the employment of related persons, and those according to the additional provisions of §1, pt. 15 (a) of ACCSIAP are spouses or persons who are in actual cohabitation, lineal relatives, collateral - to the fourth degree and by marriage - to second degree. Our society

⁴⁰ Commission report to the European Parliament and the Council on the Progress of Bulgaria under the Cooperation and Verification {COM (2009) 402 final} SEC (2010) 948; SEC (2009) 1074; COM (2008) 495 final; SEC (2008) 2350/2; COM (2008) 63 final.

⁴¹ Commission report to the European Parliament and the Council on the Progress of Bulgaria under the Cooperation and Verification {COM (2009) 402 final} - p. 14

⁴² Find out more about the presence of corruption in the sphere of education. Osipian, A., Methodology of research on corruption in education. Northeastern University Press, 2004, pp. xxv-257

⁴³ Decision № PC-231-16-008 town. Sofia, 14.02.2017 g.; Decision № PC-008-17-018 town. Sofia, 21.03.2017 g.; Decision № PC-004-17-065 town. Sofia, 12.07.2017 g.; Decision № PC-004-16-001 town. Sofia on 01.12.2017

is particularly sensitive to the presence of such a commitment in the workplace, mostly because of the bias that the affiliates will enjoy privileges. In support of these allegations it should be noted that the majority of signals for conflict of interest of the Commission for prevention and detection of conflict of interest are relevant to education and the appointment of a related party⁴⁴. The action of employing a related person itself is not a conflict of interest. It is necessary to create conditions to put that person in a privileged position⁴⁵ (benefit) compared to other employees occupying the same or similar position. Therefore, the person holding the senior public position needs to have a private interest in the employment for the situation "conflict of interest" to occur. Interpreted in this way, the legal norm can lead to the emergence and development of nepotism⁴⁶ but not a conflict of interest. The following example is eloquent enough: Legal actions against a school director, that in the period 2016 - 2017, has employed his son to the position of "expert of European programs and projects" with the rank of vice - director of the school and entered into additional agreements with his daughter, who is a host and head of the administrative office at the school and increased the received her remuneration. The legal actions end with a judgment-lack of conflict of interest for the director. Similar situations are found in the sphere of healthcare⁴⁷, public social insurance⁴⁸, culture⁴⁹, sports⁵⁰.

Incompatibility often is confused with conflict of interest, although it is not common. The incompatibility occurs when another position is taken or carrying out activities, which under the Constitution or other law is incompatible with that of the person of a senior public position⁵¹. It can be initial and subsequent. The initial prevents the person to occupy the office and the subsequent incompatibility makes it impossible to keep this position occupied. The main point here is that for the first type of incompatibility, the person can take actions to eliminate the grounds for incompatibility, but for the second - the person should be released from their position. The most common abuses in this regard are when the persons occupying high public positions develop trade activities, which in most cases is incompatible with their position.

⁴⁴ See. Decision № PC-034-17-041; № PC-004-16-001, c. Sofia, on 01/12/2017, № PC-231-16-008, c. Sofia 14.02.2017 g. ; № PC-008-17-018 town. Sofia on 21.03.2017 and others.

⁴⁵ See. Art. 54 of the ACT ON COUNTERACTING CORRUPTION AND ON SEIZURE OF ILLEGALLY ACQUIRED PROPERTY (ACCSIAP)

⁴⁶ See more about these corrupt practices "Corrupt Practices and Prevention of Corruption," Center for Studying democracy. S., 2004

⁴⁷ Decision № PC-177-16-015 town. Sofia, 14.03.2017. ; Decision № PC-082-17-039 town. Sofia on 29.06.2017

⁴⁸ Decision № PC-162-17-066 town. Sofia on 14.12.2017

⁴⁹ Decision № PC-008-16-011, . Sofia on 03.17.2016

⁵⁰ Decision № PC-077-17-037 town. Sofia, 27.06.2017 g. ; Decision № PC-077-17-037 town. Sofia on 06.27.2017

⁵¹ §1, item 7 of the ACT ON COUNTERACTING CORRUPTION AND ON SEIZURE OF ILLEGALLY ACQUIRED PROPERTY (ACCSIAP)

Conclusion

Development of human capital suffers from a lack of investment and sustainable public policy especially in the sphere of education. The demographic problem with the birth rate and the continuous emigration, further have a negative impact on our educational system. It tries to survive as a "balance" between providing quality education and lower assessment criteria in order to ease the graduation of the students. In addition nepotism and conflict of interest in the sector lead to demotivation of teachers, which directly affects the formation and development of human capital.

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Decision № PC-001-16-004 town. Sofia on 02.07.2017

MACROECONOMIC ENVIRONMENT FOR HUMAN POTENTIAL DEVELOPMENT IN BULGARIA

Chief Assist. Prof. Dr. Cvetomir Cvetkov

The Bulgarian economy at the beginning of the XXI century is facing major challenges which require solutions that will either induce a boom or deepen the negative trends that are occurring in the socio-economic system of Bulgaria. Namely the solution of modern times' challenges synthesizes the macroeconomic environment and human potential as two complementary elements that have an unbreakable bond.

The human potential is a socio-economic phenomenon that develops as a consequence and due to the macroeconomic environment. However, the evolution of macroeconomic factors depends on the development of human potential. Human potential and human factors are especially important for the development of the qualitative characteristics of the macroeconomic environment.

The latter has prime meaning in the interaction and mutual development of human capital. Based on this abstract point of view, namely "**the macroeconomic environment and the development of human capital**" in its synthesis form the creation and the development of human potential, partly affecting the creation of the human factor as well, because the creation of both the human factor and potential are interrelated. This process acquires specific characteristics in Bulgaria.

The Bulgarian macroeconomic environment influence on the development of human potential in Bulgaria is viewed through a descriptive analysis of the factors that affect the realization of human potential - population, immigration, employment, GDP expenditure on education, income, etc.

The process of globalization intensified repeatedly the international competition. In these conditions, besides technology and innovation, an essential component for economic prosperity appears to be the ideas that create innovation and technology and that are the result of human consciousness. Thus, we are able to talk about human potential as a determinant for economic growth because precisely it is what is necessary for a new idea to become an innovation and consequently a new technology. On the other hand, the development and creation of human potential depends on economic growth and macroeconomic environment that can become a creator of human potential or its suppressor. The relationship between the macroeconomic environment and human potential is integral and complementary. This relationship acquires a logical transmission mechanism, which acquires a real and direct feedback between macroeconomic environment, labor, knowledge, human potential, innovation and technology. Here we can proceed from the famous thesis of Karl Marx in its shortened version that "Life determines consciousness", which means in the context of this publication that the macroeconomic environment is essential for the development of human potential and its

actual implementation. On the other hand, the human potential development in the long term lead to changes in the macroeconomic environment because it increases economic growth. Similar reasoning can be found in the works of Peter Drucker, who wrote **"... the actual controlling source and absolutely decisive "productivity factor" is neither capital nor land or labor. It is knowledge."...** **Today "productivity"and" innovation" create value. Both are practical applications of work of knowledge** ⁵². From the above-quoted passage a prominent factor is the one that creates and perfects human potential. It is precisely knowledge. And knowledge is the result of education. According to prof. Katia Vladimirova, **"Human capital includes knowledge, skills and people's work experience. It is owned by individuals"** ⁵³. Therefore, the accumulation of human potential is the result of accumulated knowledge and experience; its realization depends mostly on the employment of the individual. It is important to emphasize that the labor market is a key factor not only for the very realization of human potential but also for its improvement, because the experience is primarily an accumulation of work.

Education and innovation are interconnected and lead to the reproduction of technological progress, which leads to increasing economic growth. Here stands the link that leads to the process of reproduction of education in innovation, namely the human potential that is realized through the work of the economic agent. According to Yesenlindin, Satenko and Ramashova, **"... human factor is a crucial factor in the implementation of government programs. It is too difficult to learn foreign technologies that are acceptable in global markets without well-educated staff."** ⁵⁴ The emphasis on the human factor automatically binds human potential and demographic dynamics, because the increase or decrease in population affects the human potential. The reason for this phenomenon is the fact that the bearer of human potential is precisely the person.

The human and the human potential are the most valuable resources and assets in the socio-economic system of any modern society. Prosperity and economic growth are intrinsically determined by the person and their potential. A similar thesis is also developed by Revko through displaying the thesis that, **"Human potential is the foundation of national wealth and the most valuable resource of any society at the current stage of development of the state. Reason for the latter being the fact that the main criterion for social and economic innovation is the achievements in human development and the meeting of its needs. The ability of the economy to use this potential is effectively manifested through the growth of gross domestic product and the**

⁵² Drucker P (2000): "Post-Capitalist Society", Ed. "LIC" C, p. 12-14

⁵³ Vladimirova K. (2007): "Human growth potential and competitiveness of the Bulgarian economy," Yearbook of World Economy, p. 136.
http://departments.unwe.bg/Uploads/Yearbook/Yearbook_2007_No4_K%20Vladimirova.pdf

⁵⁴ Yessengeldin SB, Sitenko AD, Ramashova NA (2015): "Development of Human Potential in the Innovation Economy of Kazakhstan", *Viešoji Politika ir Administravimas Public Policy and Administration*, T. 14, Nr. 2/2015, Vol. 14, No 2, p.210.

improvement of life quality. ⁵⁵. It is clear that the modern state should create conditions for the development of human potential, which subsequently placed in appropriate macroeconomic conditions will result in a rise in GDP. The social function of the state in the creation and realization of human potential clearly stands out. The state is the main agent that creates and regulates the macroeconomic environment pursuing the strategic aim of increasing and improving human potential. Thus, the necessary social and innovative environment that promotes the development of human potential and its use for economic prosperity is inherently induced. According to Revko human potential is determined by "**the social and demographic potential, ... the social and economic potential ... the intellectual potential ... the socio-cultural potential**"⁵⁶. Determinants of human potential, described in this way, are brought down to sub-factors. The rate of employment, the demographic trends, the patents research, the development, and others appear to be such sub-factors.

Authors such as Alejandro Ramirez, Gustav Ranis Frances Stewart ⁵⁷ concluded that countries that give priority to the development of human potential create favorable economic trends that develop into economic growth. Gary Becker⁵⁸ connects human potential to education and income, treating these categories as macroeconomic perspectives. Through using this train of thought one can actually bring forward the thesis that Becker, on the one hand, first considers the creation of human potential through education. On the other hand, he considers opportunities the development of human potential from a macroeconomic perspective, associating it with the ability of a person to fulfill themselves professionally. At the same time by treating income as the main factor that determines human capital he reveals how this human capital can be detained.

Becker conducted a study with Murphy and Tamura⁵⁹, which created a model in which a generator of economic growth represents investment in human capital. An important point is the fact that the return on these investments is made through human capital. The return on the investment depends on the structure and abundance of human

⁵⁵ Revko A. (2016): „The Role of Human Potential for Sustainable Development in the Chernihiv Region of Ukraine“, Studia Periegetica nr 1(15), p. 100. https://papers.wsb.poznan.pl/sites/papers.wsb.poznan.pl/files/StudiaPeriegetica/SP15_Revko.pdf

⁵⁶ Revko A. (2016): "The Role of Human Potential for Sustainable Development in the Chernihiv Region of Ukraine", Studia Periegetica nr 1 (15), p. 101. https://papers.wsb.poznan.pl/sites/papers.wsb.poznan.pl/files/StudiaPeriegetica/SP15_Revko.pdf

⁵⁷ Ramirez A., Ranis G., Stewart F., (1997): "Economic Growth and Human Development", Economic Growth Center, Yale University, PO Box 208 269 27 Hillhouse Avenue New Haven, CT 06520-8269, Center Discussion Paper No. 787.

⁵⁸ Becker, Gary S. (1964/1993) Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education. Third Edition. Chicago and London: University of Chicago Press

⁵⁹ Becker, Gary S. Kevin M. Murphy, and Robert Tamura (1990) Human Capital, Fertility, and Economic Growth, Journal of Political Economy, 98, 5 (October), part II, S12-S37

capital. The logic of the model is the following- the abundance of investment in human capital leads to greater returns, and when human capital is scarce then they lead to diminishing returns. An important point in Becker, Murphy and Tamura's research is the demographic structure. According to the deployed by the authors thesis, when a demographic structure that is characterized by a growing population, which is characterized by families who have fewer children, exists then the investments in children can qualitatively and effectively build and develop their potential and therefore the investment will have a greater return on the scale of the demographic structure. In the other case, where the population is shrinking and the demographic structure is characterized by a small number of people and families with many children, the investment in the development of human potential then would not be very effective because it is distributed amidst many members and therefore the return on investment will be decreasing.

Robert Lukas⁶⁰ develops the thesis that human capital accumulation is a process, because employment is both a learning and a gaining experience. Consequently, the accumulation of experience leads to increased human potential.

The short theoretical report made leads us to two conclusions. The first conclusion is that a bidirectional connection between the macroeconomic environment and human capital, which in the mean of historical and economic dynamics supports itself, exists. The second conclusion that can be drawn is that the analysis of human potential comprises of two stages. The first stage is its creation, through education and the second stage is its development through labor.

This descriptive research covers both the creation of human potential and its development.

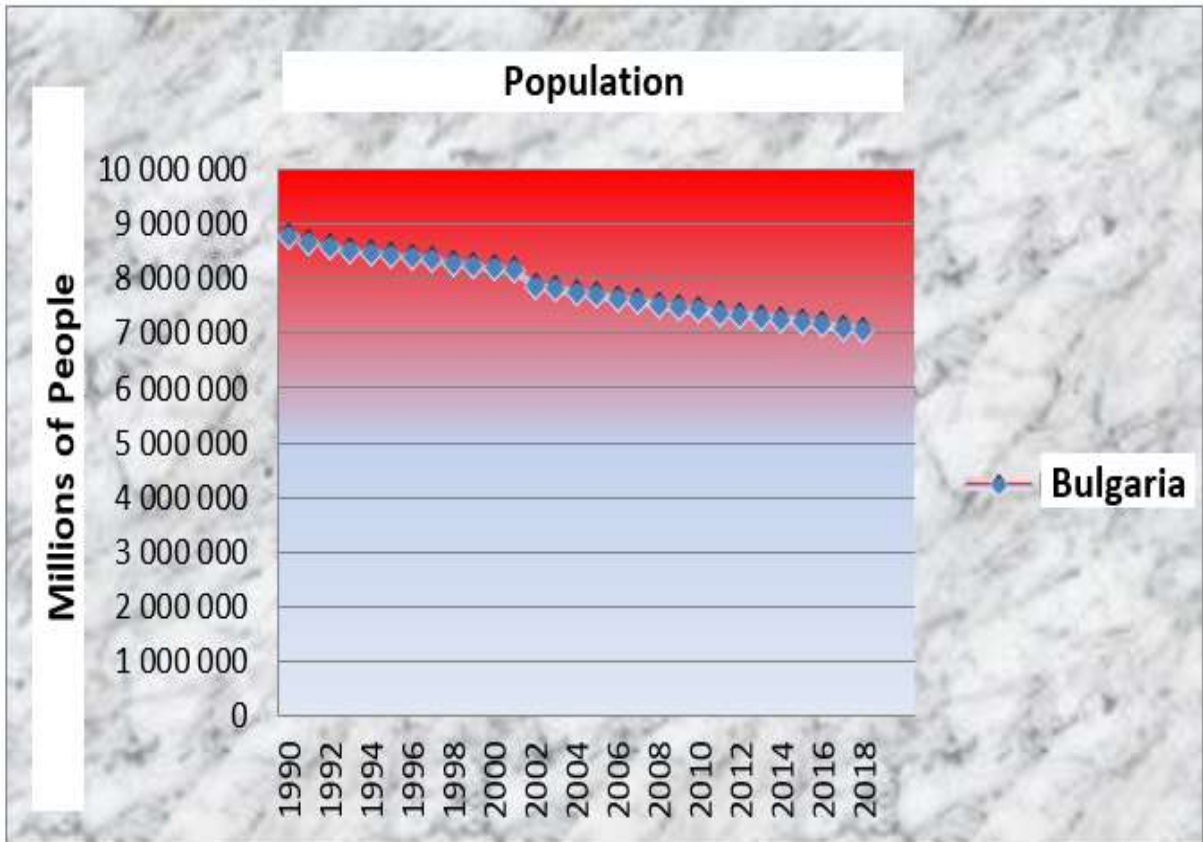
The interaction between the macroeconomic environment and human potential can be traced by examining variables such as population dynamics, unemployment, employment, health costs, costs for different levels of education, expenses for research and development. Looking at specific above described variables can be clearly displayed as a state policy that defines the macroeconomic environment and thus the development of human potential. From here on the role of the macroeconomic environment in the creation and realization of human potential can also be displayed.

Population and its dynamics during the period from 1990 to 2018 is the starting point, of the beginning of this research. The theory that examines the demographic factor as the main determinant for the construction and development of human potential is the

⁶⁰ Lucas, Robert E., Jr. (1988) On the Mechanics of Economic Development, *Journal of Monetary Economics*, 22, 1 (July), 3-42

leading reason due to which the choice was made for the dynamic of the demographic factor to be chosen as a starting point.

Figure 1

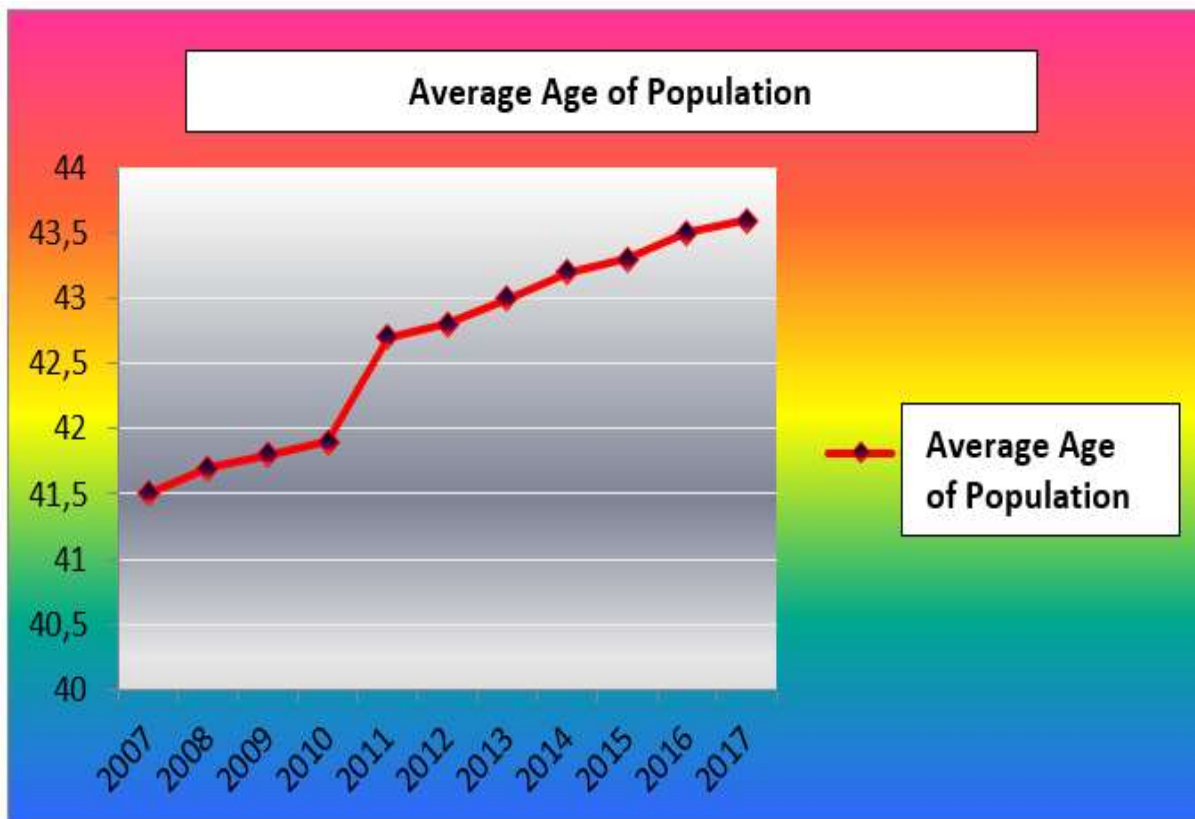


Source: Eurostat

Bulgaria's population decreased significantly over the period between the years 1990 and 2018. The negative trend in the development of the demographic factor significantly reduces the development potential of the human factor, which *ceteris paribus* affects the potential to create a core human potential. The clarification that population decline does not necessarily mean a reduction or limitation of highly-qualified personnel or to a decrease in the scientific potential has to be made, but in any case, *ceteris paribus* in any case it means a reduction based on aggregate human potential. This aspect of thoughts makes sense because human potential is manifested in every human sphere and therefore reducing the population leads to a decrease in aggregate employment potential, to a decrease in aggregate economic potential, etc. It is important to point out that if the reduction in population coupled with changing demographics and decrease in the quality of secondary and higher education, then *ceteris paribus* one can talk about limitations and negative developments in the creation of human potential. If

the population structure is characterized by the growing aging population towards younger population and increasing immigration, then the argument that limiting the creation of human potential in these circumstances, if we add the decline in education quality, can be inferred. Accordingly, there is a steady trend towards restricting the creation and development of human potential.

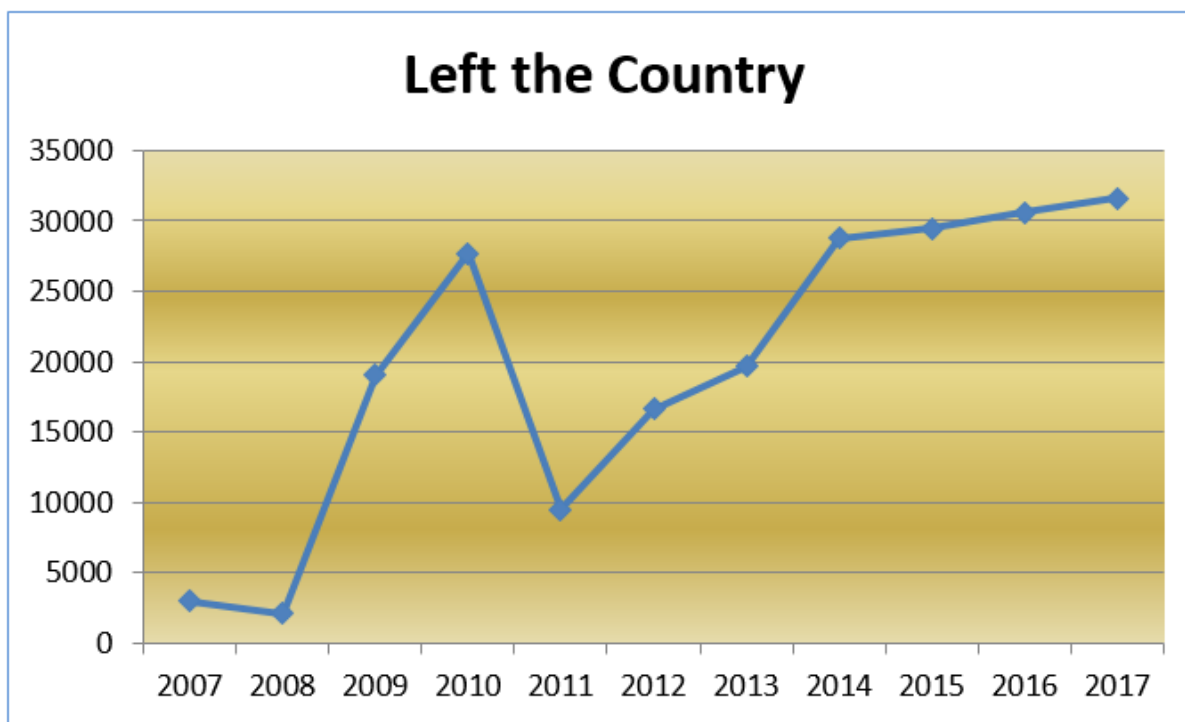
Figure 2



Source: NSI

It is evident that the average age of the population increases, which is an unfavorable trend subordinated to the declining population in Bulgaria. The increasing average age and demographic decline appear to be factors that are invariably a limitation that indicates the reduction of human capital, respectively, of the human potential. The declining number of population is the foundation for an increased middle age, but at the same time the aging of the Bulgarian population is in turn transformed into a factor that leads to negative tendencies, especially if viewed in line with emigration processes.

Figure 3



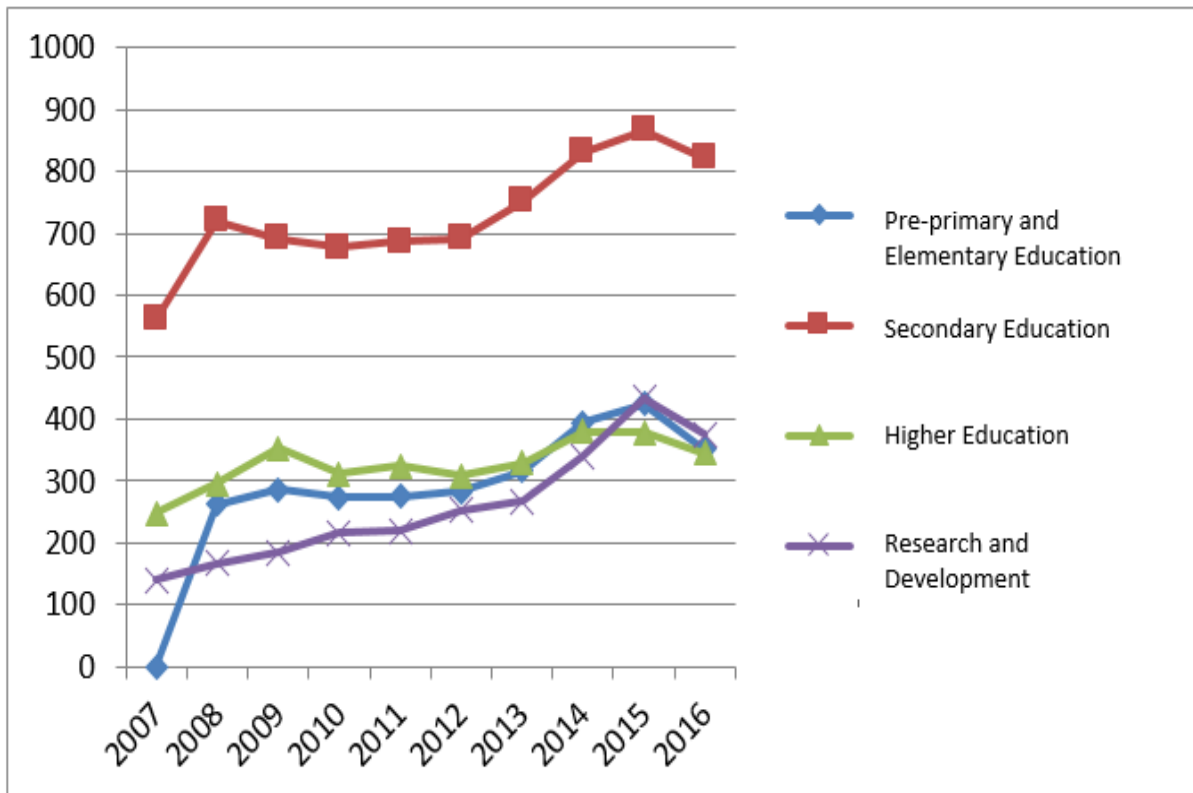
Iznochnik: NSI

It is clear that emigration is increasing, which means that human potential' loss occurs, which is a huge loss for the Bulgarian macrosystem. The systematic approach on the dynamics of population and of the middle age in Bulgaria and emigration shows that Bulgarian macroeconomic system does not lead to the creation of human potential and its realization, but rather creates negative trends and limits the creation of human potential.

The growing emigration further illustrates not only the limitation in potential human factor, but also the expiry of human potential, which further justifies the idea that the macroeconomic environment in Bulgaria is not favourable to the development of human potential. It should be said that growing emigration is an argument for the fact that human potential has difficulties not only in its creation but also in its realization and development. Of course, these thoughts require a consideration of education and GDP. Education is the main factor that creates the human potential and GDP is the factor that shows the development and realization of human potential.

Education expenses implemented by the state appear to be an indicator that shows how macroeconomic policy creates macroeconomic environment for the creation of human potential and its improvement.

Figure 4

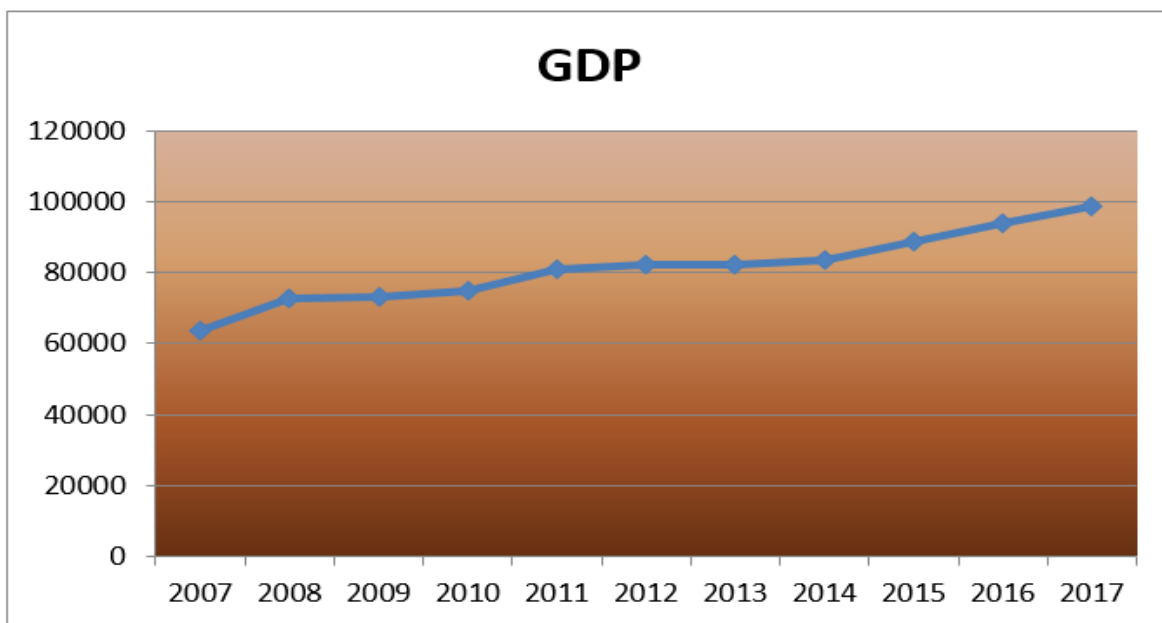


Source: Eurostat

It is evident that the largest funds are spent on secondary education and primary and higher education are subsidized with much lower means. It is also clearly indicated that the total expenditure on education decreased in the years 2015-2016. Reducing the total cost of education leads to other conditions equal to the drop in quality of education. There is an overall reduction in the quality of education, which leads to restrictions in the development of human potential and its creation. Of course it is clear that the greatest magnitude costs are spent on secondary education, because this level of education creates human potential to the fullest extent. Yet the quality of secondary education is not high enough.

Research and development costs are also permanently reduced, although upward trends in recent years have reported decreases. This fact creates an argument for the thesis that the innovative process in Bulgaria is permanently restricted as a consequence of restricting the development of human potential in the fields where higher qualification is needed. It is clear that state-led macroeconomic policy creates features that do not stimulate the creation and development of human potential.

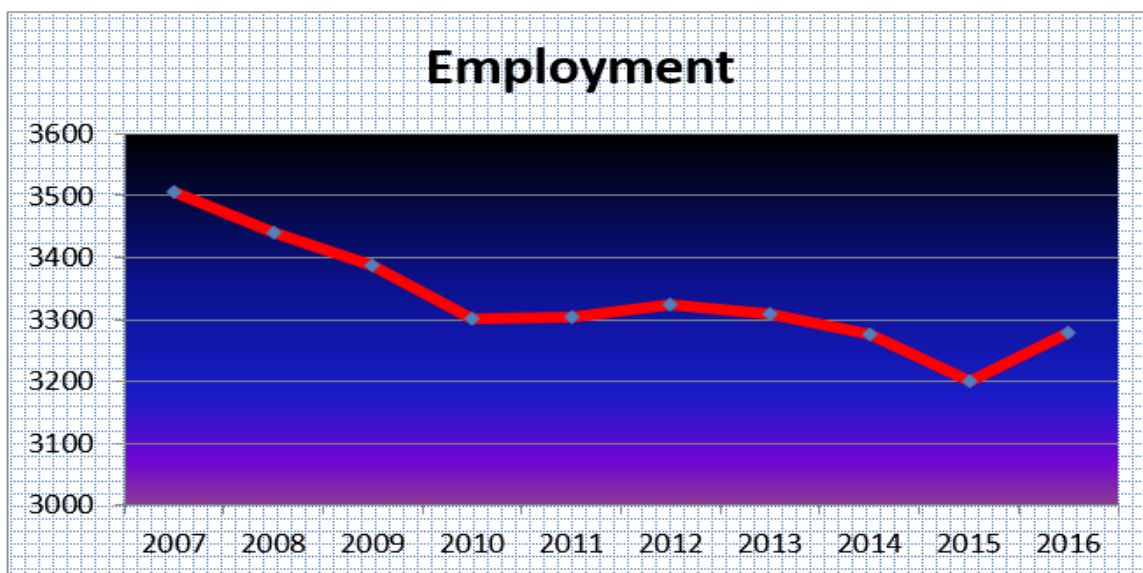
Figure 5



Source: Eurostat

Bulgarian economy is characterized by economic growth that does not lead to increased spending on education. Also, although GDP is characterized by positive dynamics emigration is not reduced.

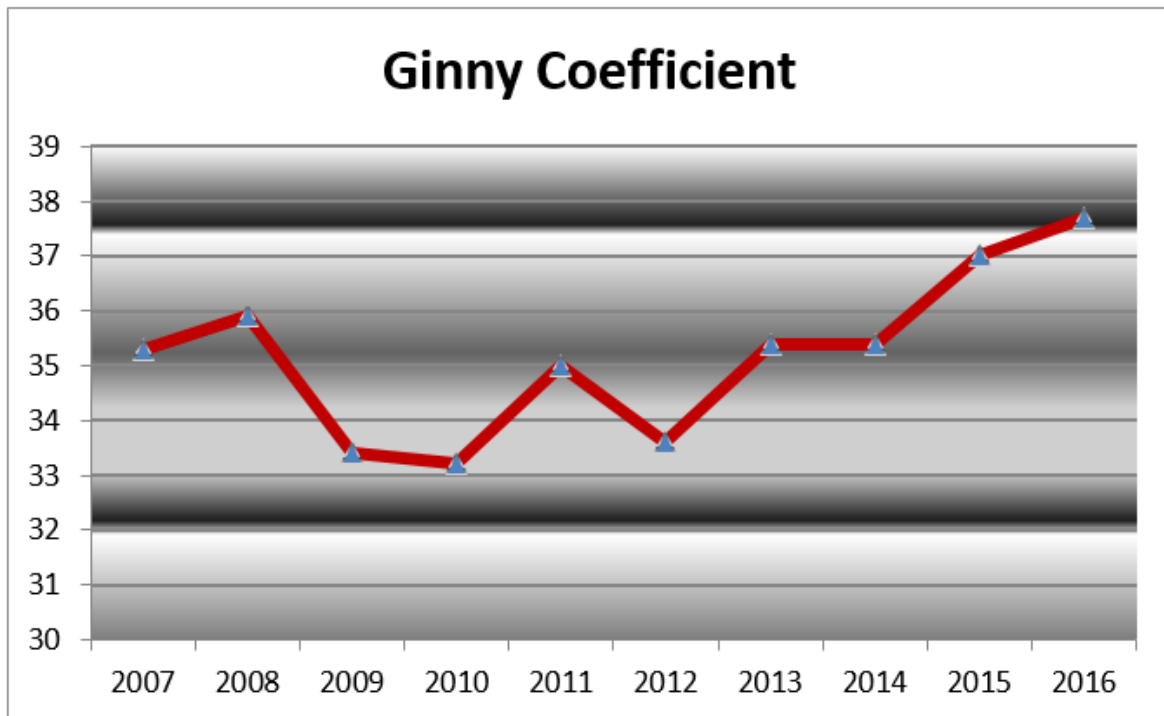
Figure 6



Source: Eurostat

Employment in terms of rising GDP declines, which indicates the reason that provoked the population to decline and emigrate, meaning that the reason for the limited creation and development of human potential appears to be precisely the macroeconomic environment. Besides the dynamics of employment and GDP, income should also be considered, when revealing the real reason for the effects of the macroeconomic environment on human potential.

Figure 7

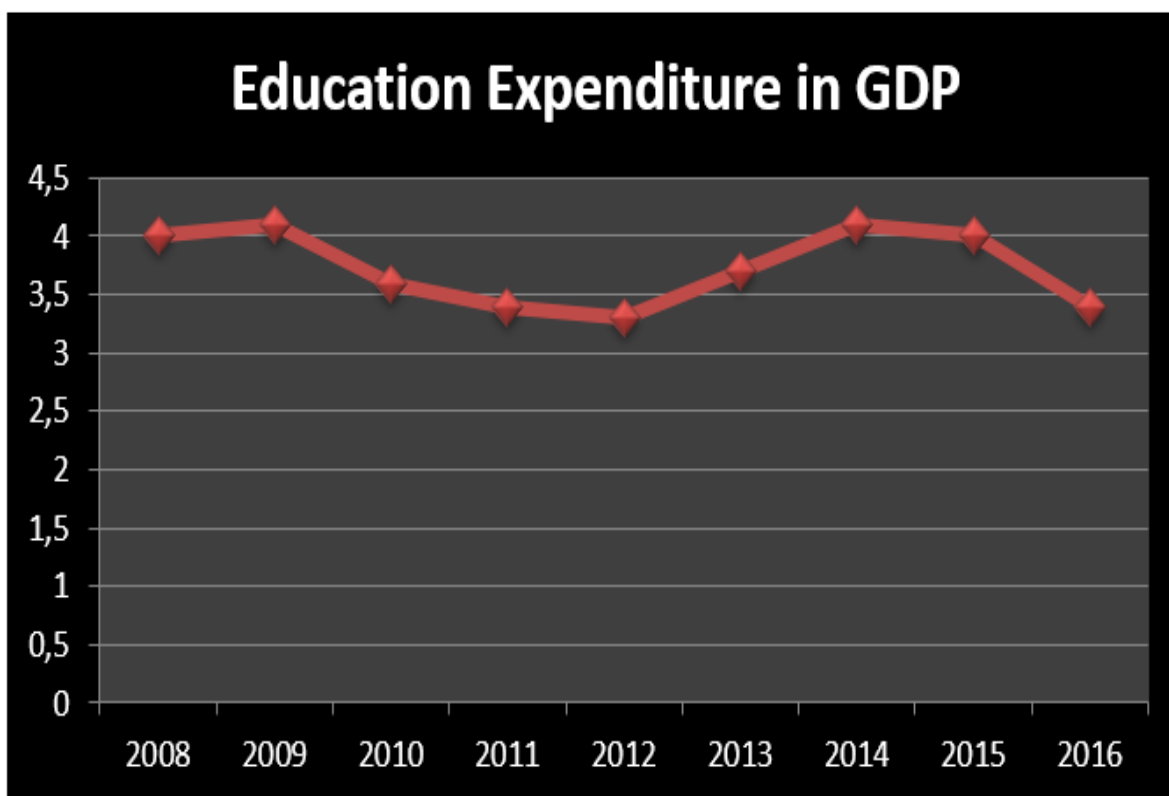


Source: Eurostat

Income inequality is strong and permanently growing. The reason that limits the ability of potential growth and development of human potential is revealed when observing income inequality in a system with declining employment and rising GDP. On the one hand, it is clear that macro-economic policy conducted by the state is ineffective and it reduces the population. On the other hand, this inefficiency is transformed into an inability to develop human capital and potential.

The macroeconomic environment in Bulgaria does not allow the development of human capital because it does not create sufficient conditions for professional development, as evidenced by the declining employment and the rising GDP. Growing GDP and respectively reducing the cost of education is a factor that, in other equal conditions, is a prerequisite for limiting the quality establishment of human potential.

Figure 8

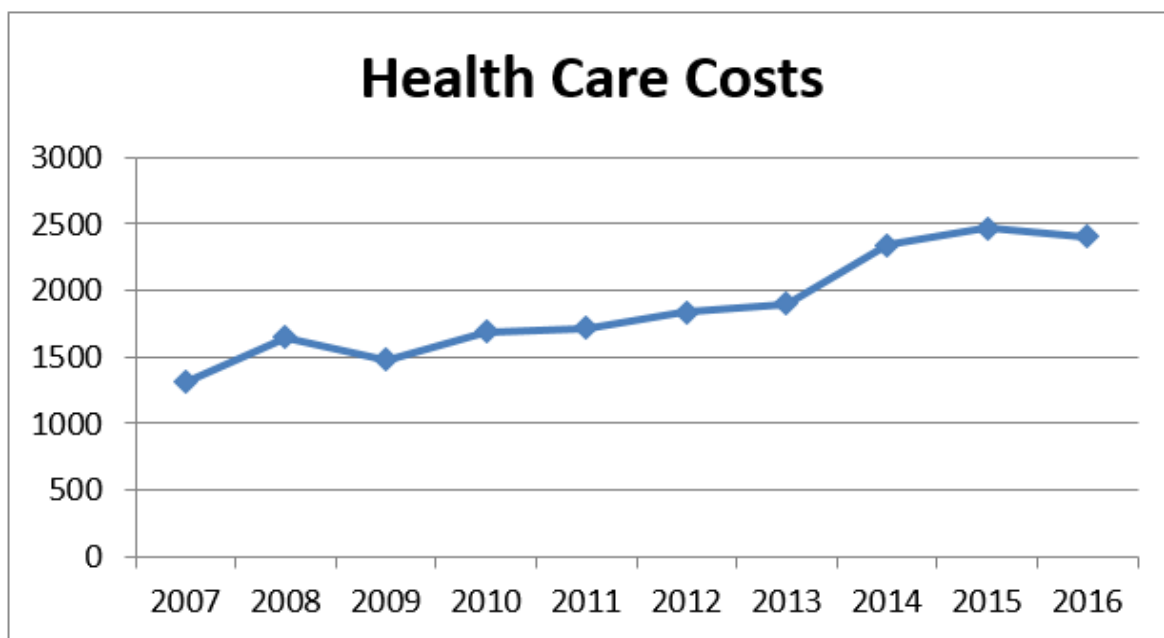


Source: Eurostat

A strong argument in favor of the claim that creating macroeconomic environment in Bulgaria is unfavorable in order to build quality and effective human potential with growing GDP and decreasing spending on education manifests. On the other hand, asymmetric movement of employment and GDP deters job and that corresponds to low income and growing inequality. The inquest is limiting the possibility for realization and development of human potential.

An important factor for the qualitative development of human potential is health. Quality development of human potential is connected to health and quality of life. It is clear that the better quality of life and health of the human factor is, the more effectively build and developed human potential will be.

Figure 9



Source: Eurostat

Health costs are characterized by an increase, which suffered a slight contraction in the period between 2015 and 2016. Although the trend in health spending has predominantly upward curve this does not improve the quality of healthcare. Healthcare costs are not sufficient for the needs of the Bulgarian health system, lowering the overall quality of health services and consequently the quality of life and therefore the quality of human capital.

The modern economy is built on knowledge and scientific discoveries are transformed into ideas and innovations. This process is made possible as a result of the creation and development of human potential. In turn human potential is built and developed in the macroeconomic environment. Examining the impact of the macroeconomic environment on the creation and development of human potentiality in Bulgaria reveals the following conclusions. Firstly, the state policy creates a macroeconomic environment that is no longer adequate for the creation and development of human potential. Secondly, the macroeconomic environment in Bulgaria is characterized by declining employment, rising inequality and low income that lead to further negative demographic trends and increasing emigration. Thirdly, the method for education funding leads to a decline in its quality. It is important to say that the declining costs of higher education lead to loss of future added value. Declining quality of higher education and the method of financing have an influence on both the creation and the development of human potential. Fourthly, there is a missing link between GDP dynamics

and human potential. An increase in GDP is noted, which does not lead to positive developments on human potential and in particular on variables that influence the development and implementation and development of human capital. Accordingly, the effect of GDP on human potential is rather neutral, which ceteris paribus is an argument in favor of the assertion that the macroeconomic environment does not have a favourable influence on the human potential development.

The conclusions made lead to the following assertions - the macroeconomic environment is built by certain government policies and in order for it to be changed the state policy must be changed using macro-financial instruments which will change the macroeconomic environment that consequently will stimulate the creation and the development and implementation of human potential.

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CHAPTER TWO

Interaction between Human Potential and the Socio-Cultural Sphere

FORMATION AND CONSUMPTION OF HUMAN POTENTIAL IN THE CONTEXT OF ECONOMIC SOCIODYNAMICS

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Introduction:

The formation of a global information society is the basis of the adopted by the European Commission Strategy "Europe 2020".⁶¹ Its objectives are aimed to create conditions for realization of smart, sustainable and inclusive economic growth. Priorities and objectives of this strategy have served to develop the National Reform Program of Bulgaria /2011-2015g./⁶² These objectives are in five areas, in terms of employment, investment, research and development, climate and energy, education and solving poverty issues. All in a certain way is related to the formation, development and use / consumption / human capital. For example, the national target for employment is aiming achieving employment rate in 2020 of 76% of the population aged 20-64, reducing early school leavers to 11%, increasing young people with higher education to 36% reduction living in poverty by 260 thousand people.

This paper seeks to analyze the problems of formation and use of human potential, the need for effective management of these processes and knowledge as a resource element and its reproduction. The aim is to explore and analyze the interaction and the essence of the categories of human potential and human capital, processes of institutionalization, the dynamics of institutions and institutional environment for the reproduction of human capital, its forms and factors that have an effect on them. The research is with highly theoretical –methodological character due to the limited volume. The applied scientific approach of economic theory is the one of neoclassical institutionalism.

1.- The reproduction of human potential, theoretical formulation, problems and possible solutions

In the Age of Knowledge Economics, the individual is becoming the target of economic development. More often this economy is associated with the following characteristics - social, innovative and intellectual longevity. In brief, the contents of each of these are as follows:

⁶¹ EUROPE 2020 strategy for smart, sustainable and inclusive growth, European Commission, 03.03.2010

⁶² National Reform Program in Bulgaria / 2011-2015 g / implementing the Europe 2020 strategy

1 - Social -means an intensive and effective development of the public sector that has a direct bearing on the formation of the country's human potential;

2 - Innovative economy-includes development of science, information technology, formation of new managerial and professional competencies;

3- Intellectual - enhancing the intellectualisation of production, "embedding" the knowledge component in all aspects of human activity, informatization and intellectualisation of work, etc.

The concept of the development of human potential has been introduced by the United Nations. According to it, economic and social progress provides people with a high degree of professional training, opportunities to reveal their abilities and to establish themselves as a person. Categories of human potential, human capital, labor resources and human resources are subject to analysis more often. But there is not always a difference between them and their interaction in terms of institutional and economic change in countries with transforming economies.

As early as in the 17th century, William Petty writes that "the living, driving forces of the population are the basis for the accumulation of national wealth." The founders of English political economy perceive the idea of the value of man as an economic resource. A. Smith believes that the accumulated in man abilities, knowledge, habits, skill and skills that are used to earn income are part of the wealth of society and of the man himself. D. Ricardo, J.C. Mill, J.B. Seignior think that education and acquired abilities have an important role in shaping human capital. From the point of view of the microeconomic approach in the mid-twentieth century, human resources are becoming the most important reserve for enhancing the effectiveness of organizations' functioning. The human factor is considered to be the subject of investments, even more important than those in core capital and technology. In the 60s of the twentieth century, the theory of human capital was formed in economic science. Harry Becker, the Nobel Prize laureate, points out that "human capital is formed at the expense of investing in people: education, childcare costs, healthcare, seeking information and changing jobs, migration ... these investments contribute to the development of the productive forces of man, for his cultural and intellectual growth"⁶³. Another American author, St. Fischer, writes that "human capital is a measure of man's inherent abilities that shape the incomes of an individual, and it contains innate abilities, talent, education, and acquired qualifications"⁶⁴. The concept of human capital is also developed in the works of J.Minzer, M.Blaug, J.Kendrick, F.Mahlap, L.Tarrow and others. Where human capital problems are the subject of research by AtanasKazakov, I. Zareva , L. Dulevski, R. Rangelova and others.

⁶³ Becker, G, 1997 Human Capital: a theoretical and empirical analysis wuth special reference to education, N. Y.

⁶⁴ Fisher, S. 1997, Economics-basics of micro and macroeconomics., Open Societ, Sofia 1997

Despite the many developments, there is no single definition of the concept of human capital and human potential. Prior to the theory of human capital in economic literature, the concept of human factor for economic development mainly uses the concepts of labor, labor resources, and human resources. The individual is not born with ready-made capital, and it has to be accumulated through education, upbringing, health care, investing in it. Man's inborn abilities can stimulate the fertile formation of human capital. Human capital is a significant but not the only form of manifestation of human potential in the system of market relations. The notion of human potential is wider than the concept of human capital. A person with a greater human potential does not always get more income but has a better quality of communication, creativity, social communication and individual social capital. From the clarification made it is clear that the institutional structure in society influences the processes of formation, accumulation and utilization of the human potential. Here we will especially note that the specific processes of the social dynamics of the countries with transforming economies like Bulgaria are influenced by the reproduction of the human potential. The basis of this sociodynamics is the institutional and economic change in society, whose main construct is the institutions. "Institutions are imposed by human constraints that structure the interaction between them ... and related coercive measures" - writes D. North. They are the rules of the game and the organizations are the players. They "bring order in everyday life and form the image of the people for the world," said T. Sedlarski. The achieved order reduces the uncertainty, the risk and the transaction costs. According to the social carrier of the norm / rule / the institutions are formal and informal. The first are political and economic regulations and are in written form on-going and subordinate legislation. They are kind of public goods, they are used by all members of society for a certain price / etc. tax price / for maintenance of the bodies of the legislature, the judiciary and the executive power.

In the context of our analysis, it is necessary to clarify the notion of institutional environment. For all transition countries, institutional and economic change implies the formation of an effective institutional environment to stimulate socio-economic and political processes. The institutional environment is "a set of fundamental political, economic and legal rules that form the basis for production, exchange and consumption," said D. North. The institutional environment for the formation of human potential includes all the above-mentioned rules (formal and informal) that underlie the processes, activities and functions of different institutions / organizations / to form human potential. Before applying their knowledge and skills, the human capital / understand man as their medium /, it is in the form of human potential. The institutional factors to form and exploit the human potential can conditionally be classified into three groups. The first group factors that directly and primarily affect the formation of human potential (family environment, education, education); the second group are targeted investments / investments / in man to form the coordinates of the investment-income system. These are resources / time, money, effort / that are deliberately invested to increase income in the future, and they determine the magnitude and qualities of human capital in the structure

of human potential. Here are the activities of the sectors in the social sphere - education, health, culture, social security and others who are directly involved in the "production" of human capital. The third group are the ones that help human capital to be realized and the person to get bigger income. Of particular importance is the effective interaction of institutions in the education and labor market institutions. The already-mentioned structure of institutional factors influencing the reproduction of human potential shows that different institutions have influenced each phase of its aggregate circular-formation, accumulation and consumption. The process of initial build-up of human potential takes place in the family. The factors influencing the formation of human capital can be grouped into the following groups: demographic, industrial, institutional, ecological, economic, socio-economic, economic, integration. Each group includes indicators and they can all be subject to specific research.

The concept of developing human potential in the welfare state is based on principles and each citizen has the following abilities: to have free access to the resources in society that are needed for a decent life, to have a long and active life; continuously throughout life to receive the desired and professionally-needed knowledge. The development of human potential is also a process of expanding human choice and achieving a level of well-being and quality of life. In this concept, the state has a special status as an institutional subject. It must, through the created rules / institutions, provide not so much equality in consumption to form human potential but equality in the use of public goods education, health care, of the personality, to respect the political and civil rights of the person.

Human capital has a peculiarity that is related to decision making about its production and application. For example, education is a personal choice and decision of the individual. The acquisition of human capital creates benefits / benefits / now and in the future time, both for the individual, for the company that uses this human capital and for the society. This synergistic an effect that arises at the scale of the firm and the state analyzes R.Lucas. It explores the situation in which production in each firm depends on the stock of human capital of its workers, and also on the average size of human capital in society.

The accumulation of individual human capital at individual level as well as at company level cannot independently become a factor for economic growth. Here we need to apply the systematic approach to analyzing processes for the formation and development of human capital and the macro level. This helps us to establish mechanisms for the functioning of all units - individually, firmly and in a macroeconomic way - in order to eliminate the disproportions and contradictions between the different sides of the process of human capital formation, development and consumption. The innovative type of economic development and the determinant importance of human capital determine the need to define precisely and clearly the role of the state and its institutional

mechanisms for the functioning of the sectors in which human capital education, health, culture, ecology, labor, and so on.

The main actors for the formation and development of human capital at the macro level are the state with its bodies of legislative and executive power, the educational structures, those for health care, culture and others that offer public goods, as well as the companies that use human capital. Human capital is formed as a result of investing and accumulating a certain amount of knowledge, health, habits, abilities, motivation that are purposefully used in the different spheres of public reproduction. The processes of forming and developing human capital contain a very rich spectrum of relationships between different actors - public and private. These are about demographic processes and migration, education, health, employment, income, etc. All this makes it extremely complex to develop mechanisms to regulate the processes of human capital formation and development. We believe that to solve this problem, we need to apply the instrument of institutional economic theory. In neoclassical economic theory, no attention is paid to the institutional environment in which economic subjects operate. The main advantages of institutionalism as a method of scientific knowledge and research are that it creates framework conditions for achieving the effects in the development of the economy. This interdisciplinary approach involves a reasonable combination of the principles of neoclassicism, efficiency with those of sociology, law, and politics. It is in institutionalism that the concept of the institutional environment is developed as a mechanism for achieving the predetermined goals and tasks for the socio-economic development. Institutional environment, these are the legislative foundations of the state / the entire legal system, these are the institutional structures / organizations, associations, enterprises, etc., as well as the socio-economic mechanisms for coordinating the relations between the people - the market and the political elections. All socio-economic and political institutions determine the place and role of the individual in society, influence his / her behavior, choices and actions within acceptable frameworks for society. But man makes decisions (for example, what education to receive, occupation, treatment, place of work, etc.), guided by internal individual motives.

The institutional environment includes two main elements. First, these are the rules established by current legislation, and secondly, these are the organizations and institutions in which production is carried out and human capital is implemented. Public institutions are actually present in all areas of human life and have an impact on the formation of human capital. The process of reproducing human capital at the stages of formation, development and use is under the influence of formal and informal institutions: the state, the municipalities, the markets, the companies, the family, the stereotypes of behavior.

The formation of human capital is a process of deliberate impact of socio-economic institutions, resulting in the acquisition of knowledge, skills, abilities and health status that

enable it to be realized on the labor market. Development is a process of legal changes, a transition from one state of personality to another - the accumulation of knowledge and the improvement of vocational skills, the entry of a job that corresponds to the education received, etc. Development is a result of the impact of the socio-economic institutions on personality as a result of which the quantitative and qualitative characteristics of human capital are improved. The institutional and economic change in our country is the content of the transition from administrative command to market economy.

The formation of an institutional environment is a long and complex process, especially in the sectors and activities where human capital is mainly formed. Evolution changes that have taken place have led to the transformation of some institutions and the creation of new laws, organizations, and institutions. It is often stated in various national strategies that the main directions of social and economic development are to improve the quality of life of the population through the development and effective utilization of human potential, the technical and economic restructuring of the economy, increasing its competitiveness. But solving these tasks is necessary: creating favorable conditions and opportunities for intellectual and physical development; the advancement of education, health, culture, information and other services. The National Strategy for Sustainable Development of the country up to 2020 states that man is the main objective of socio-economic development, its development is the measure of the maturity of society, the state and its policies. And more-increasing wealth, overcoming poverty and reducing economic inequality, improving the structure of consumption; education, nuclear, culture, which are the most important spheres of the spiritual life in society. These social imperatives point to the need for development and efficient use of human capital. But if we compare the costs that are allocated to these socially significant sectors for health and education is about 4% of GDP, then all claims of priority of these policies remain non real. For example, 11.6% of the state budget for health, 11.9% for education, 9.45% for defense and security, and 7.2% for public services.⁶⁵

The systematic approach to forming and developing human capital requires the disclosure of different resources of formal and informal character (traditions, customs, and family relations). Account must also be taken of the historical factor of the previous development. For the development of human capital, there is a constant need for new institutions, a need to change existing rules and norms. There are institutions that initially spontaneously arise themselves in the form of informal rules but gradually become formal ones, ie they become part of the acting legislation. The state of the institutional environment in the industries for the formation and development of human capital is not at the necessary level and is not in the position to meet the needs of the information society.

⁶⁵ www.ime.bg Institute for Market Economics / 30 may 2015 /

There is a mutual dissatisfaction between the labor market and the education market. The requirements of the innovative economy are growing towards the qualities of human capital. The institutional environment, in which the reproduction of human capital is created, is not always creating the appropriate incentives for quality reproduction. For example, "the principle of education -" money following the student "does not fit well into the incentives for higher quality education. Another example is the payment of personal surgeons from the health insurance by number of patients, without linking the spent resource with the quality of the health service. The high level of bureaucracy, elements of corruption and the presence of so-called "State rent" in the public service system also reduces the efficiency of the institutional environment. Within the institutional system of reproduction of human capital, there are sometimes "disagreements" between different subsystems - divergence in legal norms, changes in the different laws of "piece", presence of empty, hollow norms. It is not always the legislative body making changes to the law, it complies with the norms in force in other laws relevant to this law. For this reason, in the last years, the society has rightly raised the question - "how effective is the legislative process in our country". Within the framework of the established institutional environment, we can make the following contradiction. In the use of human capital in the system of the social division of labor, the institutions of the labor market are of great importance. Their operation aims to reduce the transaction costs for job search, a new job, acquiring a qualification. Particularly active must be their participation in the processes of continuing vocational education. In the system of institutions with a direct relation to the reproduction of human capital, the problem of ownership of the human capital also logically arises. These are issues that are legally regulated in our country by the Law on Copyright and This aspect of the institutional framework of forming and using human capital is a problem for self-study.

In our country the institutional change was also done through an intensive "import" of institutions / acting rules and legal principles / from a number of developed countries. This process was particularly active before Bulgaria joined the EU in 2007 and was objectively conditioned and necessary. But the implementation of ready-made institutions imported from outside has created certain contradictions with them and national ones, both formal and informal. For example, the implementation of Delegated Budgets to fund education structures has led to some problems and major disparities in the financial resource between schools. The envisaged implementation of the so-called the "dual system" in secondary vocational education should also be well adapted firstly to the content of a new Vocational Education and Training Act, and then to prepare the institutions and organizations - the schools and companies that will be involved in its implementation. Globalization on the formation, development and implementation of human capital is a fact. More and more people are becoming aware of the "citizen of the world" and this is possible in the context of the increasing mobility of people and the development of information technologies. So the institutional environment for the reproduction of human capital is internationalized and globalized.

Harry Becker writes that "human capital can be invested through education, training, medical care, and that production depends on the investments made and on their returns. He highlights the two-way connection between human capital and economic growth.⁶⁶ Many correlations are devoted to this correlation.⁶⁷ Knowledge and skills in human capital lead to an increase in labor productivity, social and economic wellbeing, but only if they are applied in practice. In the methodological-research plan, the formation, development and use / consumption / of human capital can be seen in unity of three phases per cycle. Each phase is a prerequisite and at the same time a result of the state and the changes in the other two.

The third phase of the reproduction of human capital - its consumption is the subject of our analysis and, more precisely, the institutional foundations and problems / barriers / that exist. They are of different nature and content - there is an imbalance in the labor market and contradictions between the labor market and the education market that one of the reasons the slow development of the high-tech sectors is also the institutional problem of human capital consumption, etc.

The analysis of the consumption of human capital uses different indicators and a system of indicators. All of them, directly and indirectly, measure the benefits for individuals, corporations and society by the application of acquired knowledge and skills. And they are - economic growth, changes in the structure and technological trends of economic development; educational parameters of labor supply and demand, and labor productivity⁶⁸.

In neoclassical economic theory, no attention is paid to the institutional environment in which economic subjects operate. It is presumed that competition is perfect, that information is available and there are no transaction costs. The concept of institutional economic theory is thought to create framework conditions for achieving micro- and macroeconomic effects in the economy. Ronald Coase analyzes the market and firm institutions. O. Williamson complements them with "contractual relations" and he is considered the founder of the so-called contract theory. "Institutions direct human behavior through prescriptions and prohibitions. They bring about order in everyday life and form the image of people for the world" - wrote T. Sedlarski. In this way, uncertainty, risk and transaction costs are reduced. Institutions coordinate, control and sanction the interactions between members of the community to achieve common goals, benefits. These are: the increase of national wealth, internal order and security, generational rearing, health care, etc. Institutions are closely linked to organizations and institutions. Organizations are a group of people united by common goals (eg, institution, corporation).

⁶⁶ Becker, G. Human Capital; a theoretical and empirical analysis, with special reference to education. Second Edition NY, 1975, p.10

⁶⁷ Zareva I. Human Capital in Bulgaria, Akad. "M.Drinov" 2010

⁶⁸ Zareva I. Human Capital in Bulgaria, Akad.izdatelstvo "M.Drinov" 2010

Prof. M. Kunev stresses the great variety of institutions. "They are not just the public institutions but also the markets, companies, social norms, language, constitutions, private contractual forms, property rights." ⁶⁹The institutional environment for human capital consumption includes all types of formal and informal rules that underlie the processes of extracting all useful properties and effects in its consumption.

Before we begin a concrete analysis of the problems and concrete solutions for improving the institutional environment in the consumption of human capital, we will introduce one concept which, with some conditionality, has its place. When analyzing the effectiveness of investment in human capital, there are two main types of economic and social effectiveness. Both are ratios of profoundly related economic and social outcomes. The latter can only be mentioned after the human capital consumption phase has been completed. It is also necessary to investigate the institutional efficiency that would show us how effective public institutions (rules and norms) are functioning and how effective the organizations and institutions whose activities are related to the reproduction of human capital. The measures taken by the executive and the legislature are the basis for introducing this category. They also have the legal basis in the Law on Normative Acts. There is an explicit rule that it is necessary before determining the expected effects of the change or adoption of a completely new normative act before a draft law is submitted for discussion. And then only research and analysis can be made of how institutional changes - legal, normative, and the implementation of effective management approaches to management and effective business structures - will result in increased efficiency in the use of human capital. Possible institutional failures are for example when a change in a normative act, for example, meets opposition to its application. For example, with a rule of law, which is a rule of conduct, instead of stimulating and effectively regulating social relations, there is an opposite effect. This is the case with a change in the Labor Code - When the written form of the employment contract was allowed to have an alternative-work contract in oral form. This legal situation when using human capital opened the door for abuse of trust, opportunistic behavior, etc. This is an example of "institutional inefficiency".

One of the peculiarities of institutional change is that it has a gradual, continuous, and evolutionary character. It depends on the institutional matrix, the previous development path and, in particular, on the institutional foundations of the human capital consumption systems. Institutional changes in the consumption of human capital must have economic fundamentals, principally with competitive and market principles. They provide a special type of coordination of the activity of individuals, make it possible to carry out transactions in the markets and achieve market equilibrium, including on the labor market and the education market. These rules / institutions / are designed to make effective use of resources, coordinate and regulate the relationship between economic and legal entities in human capital consumption processes.

⁶⁹ Kanev, M., 2007, Demographic and institutional modality of Economy, Dialogue, 2/2007

In spite of the active "institutional building" in terms of rule-making, adoption of laws and regulations, "import of institutions" from outside, we have reason to point out that the accumulated human capital is not always used efficiently. The transition from administrative-command economy to market, which is a combination of institutional and economic change, is characterized not only by the high social cost paid by the whole population and by the technical and technological indispensability of the main productions. Preventing property ownership in the country has not created sufficient active and efficient institutions for new owners to invest in more productive and leading technologies. The lack of innovation does not stimulate the search for highly qualified personnel and the conditions for effective consumption of human capital are not available. This is one reason why the country should leave highly qualified specialists and young people with higher education whose professional realization has no conditions. For some of them the alternative is if they remain here to resign with low-qualified work. Due to insufficient application of more productive technologies, this results in low labor productivity. Yes, it is about 40% of the average European, but hardly the human capital bearer has a direct bearing on the fact that the employer does not improve the working conditions, does not introduce more productive technologies. Low labor productivity is one of the indicators for the use of human capital and is a convenient explanation for the business - "low wages because productivity is low". It is necessary to get out of this enchanted circle by imposing institutional changes that optimize the interests of all workers, employers and the state. The state is also losing because, due to low incomes, tax-insurance receipts are smaller, for the whole society losses are lost, untapped wealth potential.

The low efficiency of human capital consumption is a prerequisite for low incomes, and this destroys human capital bearers to develop professionally, to improve. In some cases, this situation "generates" poverty, and the economic inequality in the country deepens. In analyzing the institutional foundations of human capital consumption, the status of so-called "overproduction of diplomas", i.e. the labor market on the supply side is supersaturated for some majors and professions. But for others, there are no bearers of such human capital, ie they do not want to get such knowledge and skills. In both hypotheses, there is a disrupted balance between labor market and educational market needs. Institutional changes in the behavior of organizations, business structures and schools are also necessary to operate on economic principles but also to "produce a product" in line with public needs. Unfortunately, not always the state, rather its institutions are sufficiently accountable and demanding about the effectiveness of budget spending. And in some cases their "retorted behavior" is the cause of this result. The institutional procedure for allocating education budgets is based on unified government standards. But what happens after the money is spent, does it really consume the human capital so accumulated? Unfortunately, there is no feedback on the funding body.

Some of the institutional factors, influencing the consumption of human capital are from the group of informal rules. These are institutions related to the individual's value system, the family environment, inner motivation, and the extent to which it is in the public interest. One reason for growing poverty is increasing illiteracy. But for some social groups in society, education is not a value. Unfortunately, for some, labor is no longer a value. These "phenomena" have their institutional as well as economic conditionality. These phenomena are an expression of the "interaction effect of the intuitions" with each other and not only with the consumption of human capital. This is an example of the fact that an ineffective institute becomes a prerequisite for establishing another ineffective institute, albeit informal. This relationship "does not go to school-no profession to realize professionally -poverty and social outsider" requires enormous effort and resources, but not only financially to overcome, reverse the direction of development- "you have education - you have a profession - income and higher social status ".

The labor market and the market mechanism are institutions that have a direct bearing on the use of human capital. The labor market is a complex system of relations on the demand and supply of labor, jobs and one of the main economic institutions. One of the peculiarities is the inseparability of the right to ownership of the workforce and the non-transferability of that right. The consumption of human capital ie the labor factor service begins after the conclusion of the employment contract and in writing. These mechanisms of the institutional content of the employment relationship have been changed many times. There are a number of other factors affecting labor supply - working conditions, career prospects, job security guarantors, macroeconomic conditions. Opportunities for reducing unemployment are the application of flexible forms of employment, outsourcing in the use of human resources. These institutes deserve a special analysis.

One of the modern approaches to analyzing human capital, applied for the first time by L.Tarrow, is that human capital includes not only the individual's productive capabilities and opportunities to derive income, but also a complex of moral, ethical, psychological, socialites. The most important elements of human capital are culture, education, knowledge of science and information. Human capital is increasingly transformed from individual into social goods. Another author, J. Kendrick writes, human capital is an intangible public wealth that is inseparable from the human personality.

2.- The necessity of managingthe human potential

For countries in transition, in the context of institutional and economic change, the problems of managing the human potential, the mechanisms of functioning of the micro- and macro- management system, the institutions that are the basis of the implementation of the rules and their realization have their peculiarities and are different from those in developed countries.

Managing human capital is creating favorable conditions for the formation, development, accumulation and consumption of human capital. In the final phase of consumption of human capital, the abilities of the human being are realized. Repayment costs for human capital are investment costs. But we believe that, besides the economic and social efficiency of these investments, the institutional one should be explored. The arguments are as follows: economic efficiency reflects the economic outcomes and benefits of investing in human capital that can be measured - income growth, labor productivity, and more. Social effectiveness illustrates social outcomes. The institutional efficiency of the reproduction of human capital must measure the effectiveness of the institutions whose primary functions are the formation, development and consumption of human capital. In this respect, we must admit that in our country a number of studies point to "institutional failure ", inefficient legislative changes, lack of administrative capacity in the institutions, etc. The influence of the institutional environment on the reproduction of human capital is undoubtedly the case. But unfortunately we are witnessing institutional "failures". This means that the actual level of effectiveness of the institutional system lags behind the potential. And one of the ways to increase economic, social and institutional efficiency in the reproduction of human capital is its effective management.

When examining the reproduction of human capital, it must be taken into account that this is a multi-layered category. The costs related to the formation and development of human capital must be analyzed on at least three levels - individual, corporate and national. Shortly, on individual level, these are education costs, health care maintenance and improvement, information search costs and mobility. On corporate level these are costs for the formation of corporate culture, for education and professional training of staff, for improving the health of the personnel, for increasing the motivation of the staff. At national level, these are the state's expenditure on education, health, culture, employment and social spending.

If we apply the same "slice" - individual, corporate, and national results and benefits from the use of human capital we will receive the following content of the classification: quantifiable results and results that are not quantifiable. To the first on the individual level we refer - increase of the incomes; the corporate level is increasing labor productivity, profits of companies, forming the innovation potential of the company, reducing turnover; at national level - economic growth, increasing the well-being of the population, increasing employment, improving the structure of employment, improving health status and quality of life, reducing the loss to society of the antisocial behavior of individuals.

The same approach is used to classify the results of investments in human capital that are not measured, and these are social benefits for the individual, corporations, and society as a whole and it has the following content. For the individual, these are: raising the social and social status of the person; for corporations are-raising loyalty of staff,

increasing corporate culture, enhancing corporate social responsibility, developing social entrepreneurship; at national level, social benefits are: - reduction of crime, raising the moral and moral stability of the society, reduction of crime, increasing mobility of human capital, promotion of health as a high social value.

Managing human capital needs to be seen at micro and macro levels. In the near future, managerial decisions on human capital reproduction and supranational level will need to be explored and taken. And now, within the EU, such decisions are actually taken - Directives and Regulations on Education and Vocational Qualifications, on Mobility and Social Security of the People are adopted, significant resources are allocated to different programs and funds from which Bulgaria is also the beneficiary.

At a macro level, human capital management is a set of measures, activities and functions of institutions aimed at optimal reproduction of human capital in accordance with the needs of the economy. This governance includes labor and social legislation, education, social and income policy, employment, unemployment, industrial relations, social protection and quality of life. The macro-human capital management system includes the following elements: subject, subject, objectives, tasks, mechanisms and management methods. The Macro-Human Capital Management mechanism is a set of institutions / rules and organizations /, tools and methods aimed at quality reproduction of human capital, ie. It leads to an increase in economic, social and institutional efficiency. Managing human capital can be a particular subject of economic activity, whether private or public, which is aimed at the accumulation and efficient use of human capital. The human capital management entities are supposed to refer the bodies of general government to general, special and sectoral competencies. These are the bodies of legislative and executive power, functional and sectoral ministries, regional administrations, regional employment services and others. The methods are directly influenced by the subject on the management site and the management decisions are mandatory - obligatory education up to 16 years, minimum wage and compulsory insurance, etc. The economic methods for human capital management adopt norms, economic levers and incentives aimed at the effective reproduction of human capital - rules, standards, norms, etc.

At the micro level, human capital management is a set of activities aimed at investing in human capital, learning, forming capabilities, skills and qualities in the individual. These are investments by individuals, households, business structures. Investments in human capital have their peculiarities: the return on these investments depends on the length of human life, especially since the earlier the human capital investments are made, the earlier they benefit; better and longer-term investments have higher returns; human capital accumulates, but he morally and physically also depreciates; with the accumulation of human capital, its yield increases to a certain limit and then begins to decline; investment in man must be socially relevant and economically necessary; on them influence historical factors, people's psychology, culture, the value system.

There are some trends in the formation and implementation of human capital. The requirements for knowledge, training and further education are changing. The Continuous education are an urgent need in the context of the new education paradigm - Lifelong Learning. For example, the introduction of flexible forms of employment is geared towards more efficient resource management time. Outsourcing of human resources is a new form of transferring external management of some of the human resources management functions - selection, staff renting, training, appraisal, security, accounting activities. Out staffing is a form of outsourcing to an agency they sign contracts with. It is also possible to form the leasing of personnel. Here comes a four-way employment relationship - a worker, a first employer, an agency that "leases" the employee to another employer.

A system of indicators whose dynamics is a barometer for general socio-economic development can be used to develop human capital. These indicators are Gross Domestic Product per person, education expenditure as a% of GDP, health expenditure in% of GDP, economic activity by population by sex and general population, literacy rate of the adult population, expected life expectancy of the population.

For Bulgaria, these indicators for 2017 are respectively: one person's GDP, education expenditure 4.4%, health care costs 3.9%, women's economic activity rate -56.1, and for men 60.1; literacy rate - 96.1, life expectancy -75.6 years.⁷⁰

It is well known that the Human Development Index (HDI) is the most comprehensive indicator of the development and effective use of human capital. This benchmark measures life expectancy, literacy and education, the standard of living for the countries. Countries are grouped into 4 categories - a very high level, high, medium and low levels of human development. The data are published annually in the United Nations Development Program Human Development Report. From 2002 to 2007, Bulgaria is raising its HDI, and after 2008 it is declining due to the global economic crisis. After 2010, its value is again improving. For example, in 2000, the country ranks 62nd, 2001-57, 2005 is 55th, and we are in the group of countries with a high degree of economic development. In 2016, the country ranks 58th out of 148 countries with a value of 0.782. The core criteria are: health - 0.845, education - 0.810, GDP per person -0.700. The highest value of the HDI in 2016 has Norway-0.955, Australia is second with 0.938 and the US is third-0.937⁷¹. Although the country is in the group of countries with a high level of human development, it is known that the spheres that are directly related to the reproduction of human capital from the public sector are unreformed. Problems need to be resolved through institutional change - new legislation, but effective implementation is also needed. Inequality in Bulgaria deepens and not only income, which "stimulates" a number of other negative socio-

⁷⁰ www.nsi.bg National Statistical Institute

⁷¹ UNDP, Human Development report, 2014 UN Human Development Index

economic processes - disability, crime, alienation. In a country-by-country comparative perspective, inequality and other dimensions and indicators of human capital development can be the subject of many other studies. A system of policies is needed to effectively manage the processes of reproduction of the human potential of the country. The formation of the New Economy and the post-industrial society cause changes in conditions and determinants of reproduction and effective management of human capital. Investing in the future is the cost of training and improving the skills and professional skills of people. When these investments in human capital are effectively managed, the effects will be long-term and growing.

Conclusion

The creation of an effective institutional environment for quality reproduction and management of human potential is an urgent necessity. The new economy and the post-industrial society cause changes in the conditions and determinants of the formation and consumption of human capital. For Bulgaria important practical and applied relevance arises from the goals of the Europe 2020 Strategy, as turning knowledge and innovation in leading factors in achieving smart, sustainable and inclusive economic growth.

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INFORMATION NECESSITIES AND INNOVATION PROCESSES OF THE SOCIO-CULTURAL SPHERE AND HUMAN POTENTIAL ESTABLISHMENT

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Human capital: Opportunities for Culturological Approach to its Analysis and Evaluation

In the context of globalization the quality and potential of human capital as an important historical factor for development acquire key significance for the prosperity and the quality of life of the community, the nation and the world as a whole. Human capital is a socio-cultural resource of society, without which it is impossible for the product, manufacturing and innovation activity, executing the socio-cultural progress of society, to be realized. We consider it as a driving force for the development of modern innovative economy, or "knowledge economy", capable to meet the demands driven by the dialectical change in space and time.

Human capital is the product of modern culture symbolically expressing the value of certain human qualities; it is the ability to obtain profit. Human capital is an inseparable part of people but it is not a person. Human capital is both social and cultural, governed by the logic of knowledge and always functioning as symbolic capital, according to P. Bourdais in the article "Forms of capital." Ignorance and lack of recognition of human capital does not deprive a person of their determination. Knowledge and recognition of human capital, however, helps people most effectively to use their abilities to achieve unlimited wealth, not necessarily solely income. The lack of precise and uniform definition of human capital determines its symbolic nature, which will continue to give rise to various definitions and meaning. Bourdais in the article "Forms of capital." Ignorance and lack of recognition of human capital does not deprive man of his determination. But knowledge and recognition of human capital helps people most effectively use their abilities to achieve unlimited wealth, not just income. The lack of precise and uniform definition of human capital determines its symbolic nature, which will continue to give rise to be the reason for the appearance of various definitions and meaning.

A brief retrospect below shows that in the second half of XX century understanding the significance of this phenomenon and the scientists and society's attraction for it as a whole has increased. The fact that human capital is an important source of income and that it is defined not only as the ability to work, but as the natural qualities, natural talent, good education, professionalism, knowledge, skills, experience, management skills and organization, moral qualities of a person, became obvious. Today this concept includes both personal and acquired human qualities, i.e. investment in human development, consumer spending, including the cost of food, clothing, education and health care, utilities and so on.

Development of human capital concepts, the core of which are the institutional and neoclassical theories, are also attributed to the neo-keynesian economics theories and other economic theories of great merit belonging to Nobel laureate Theodore Schultz, Bekker, S. Kuznets, and ie E. Denison, R. Solow, J.. Hendrik S. Fabricant, I. Fischer, R. Lucas and other economists, sociologists and historians, experts from the World Bank¹. The term "human capital", designed and developed by Theodore Schultz, Harry Becker, Saymon Kuznets in the second half of last century, have a broad interpretation and many dimensions today², making it a culturological concept that requires systematic culturological approach to its analysis and evaluation.

As widely known, the bulk of global human capital in the present is concentrated in developed countries in the world, which is explained by the fact that in recent decades investment in human capital significantly exceeds investment in physical capital. The experience of these countries also shows that the formation and development of human capital directly depends on investment in order for the degree of spiritual culture and quality of life of the population to be increased. It is typical for civilized countries that have an effective human capital to also have highly-developed fundamental and applied sciences and high Human Development Index. Nowadays, the successful development of the US and major countries in Europe and Asia is being carried out on the basis of the achievements in the fields of study that transform human capital and, above all, intellectual resources. The paradigm of human capital became the basis for the creation of an innovative Finnish economic, the modernization of the economy in Sweden Germany, Japan and other countries. the main source of income for the national wealth of each country is manifested in the worker's human capital - their knowledge, skills, organization, morality and creative activity.

Achievements in the formation and development of human capital in Western countries are determined by the understanding of the laws of cultural development and improvement of management technologies for social progress. Currently, countries with developed human capital have undeniable advantages. Namely the proper understanding from scientists, politicians and policy makers of the strategic value of human capital is a primary factor in the progress of civilization; it opens new opportunities for the creation of competitive high technology in the national economy.

The essence of human capital in modern society is seen as both - a factor and a target for development of the individual, family and society. In combination with natural, financial and physical capital, human capital is the foundation of national wealth for each country. Moreover, its structure, quality and growth dynamics are historically conditioned by national characteristics of the development of the spiritual culture of some people and countries or others. The peculiarities of human capital implies the need to continuously invest in its development and relatively long time lag for return on its investment (compared with other types of capital). Human capital is impossible to change in a short

period of time throughout; its development, and culture in general, are determined by such objective historical factors such as natural and geographical conditions, the type of culture, historical conditions and cultural exchanges, social environment. *Ceteris paribus*, i.e. it represents the basis for the formation of human capital. As seen from the world practice, investments in high-technological economy with a small degree of intellectual culture and backward mentality do not give the expected results.

Human capital is largely dependent on a number of factors such as the peculiarities of mentality, well-fare, quality and efficiency of the education system, the achievements of science and technology, market economy and free competition, innovation, the state of intellectual, ethical, political, information, legal, managerial, economical, medical and ecological culture as a whole. The strategic priority to develop human capital, ensuring its efficiency is determined by the development of intellectual potential of the country, is apparent. Development and improvement of the development strategy of human capital has a unique value system and culturological approach. It combines research methods aimed at the study of human potential as values having interconnected and interactive components, each of which has its own nature, a feature of matter, energy and direction but movement mechanism links, history, and patterns of development. An important task in this analysis is the determination of units of culturological analysis - an indicator for measuring various parameters of human capital as a developing dynamic system. This task provides an opportunity to assess all factors affecting the received decisions from the viewpoint the effectiveness of the final results. Using the theory of "soft logic"- Lutfi Zade³ and "soft thinking"- Peter Chekland⁴, the system culturological approach allows for the analysis of the influence of political, economic, temporary and other variable factors on the dynamics of development of human capital.

A growing number of scientists and economists believe that in the third millennium the main wealth of business and society consists precisely of intangible assets, which are inextricably linked to culture. A number of contemporary scientists consider that the exit to the new modern economic "orbit" should be associated with the study of socio-cultural factors, in particular, with the active use of talent potential.

It is evident, in today's business environment, that along with the traditional economic approach to culture the culturological analysis of economic processes becomes increasingly important. It becomes increasingly evident that economic growth and development are inseparable from culture and development. Culture greatly influences economic growth, although it is not always possible for a quantitative assessment to be made. Cultural dimensions of development are universal, but they still remain theoretically not fully understood. The accumulation of intellectual capital consists not only of the accumulation of the body of knowledge, but rather of the formation of habits for the application of this knowledge, awareness of its importance and place in society, ability to adapt to changing conditions.

Factors determining the quality of human capital in the information society

Today, scientists identified several types of human capital: national, corporate and individual. What is meant by the national human capital is of course a set of innovative labor resources, competitive knowledge, intellectual capital and innovative technologies and i.e. quality of life of the population, ensuring high competitiveness of the country's economy and the state of the world stage. The corporate human capital incorporates intellectual capital, computer and information technology, formed by the company and contribute to enhancing its competitiveness^{5;6}. The generally accepted definition of human capital includes individual human capital that incorporates accumulated specific knowledge, skills and professional habits of individuals contributing to the development of certain competencies that enable it to obtain additional goods and increase their level of income and quality of life.

Information society influences the formation of the core competencies of workers' needs and motivation as the driving force of their activities, which in turn determines the direction of development of the whole economic system. In the information society the emergence of new factors in the formation of human capital is evident (See Figure 1B).

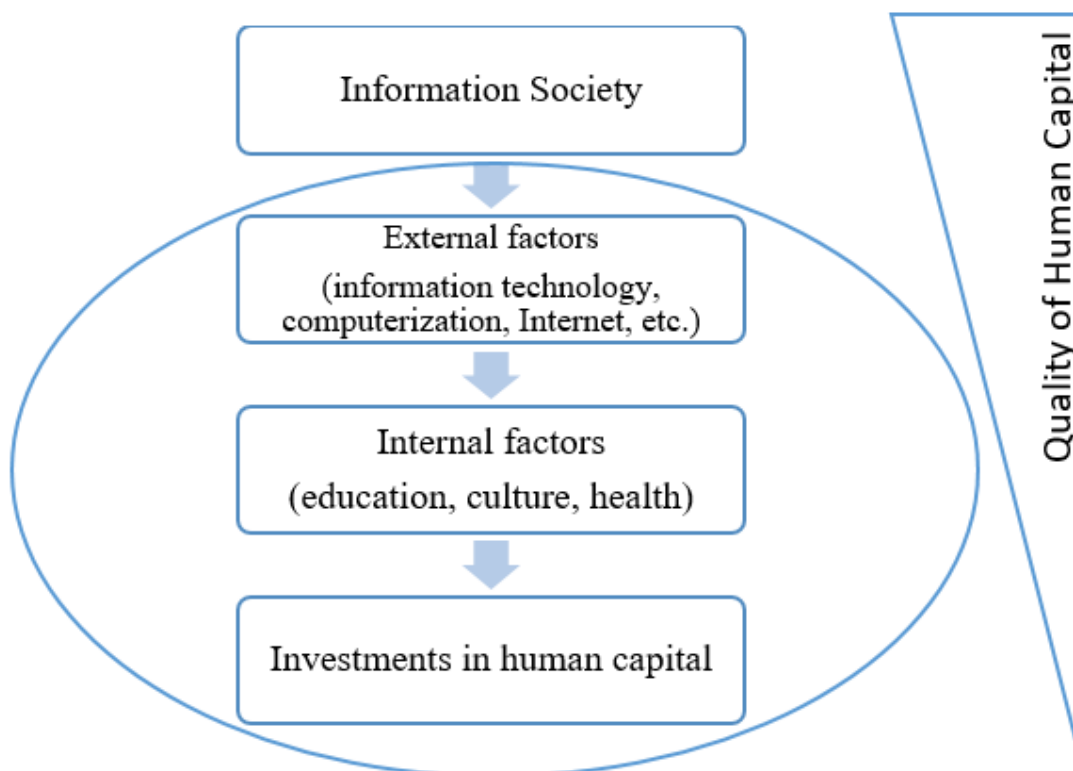


Figure1. Formation of human capital in the information society

External factors - determining the development of the information technologies available (computerization, networks, development of the Internet, etc.), in turn, have influence on the internal factors. Healths, incorporating the set of psycho-physiological qualities of man; education as a sum of knowledge and skills of the individual; culture as a set of ethical and aesthetic personality traits are all internal factors which shape an individual's qualities. A key factor among the above-listed is education as vitality in the information society requires increasing competencies, especially the ability to process the information and release the necessary details of the total information flow. Computerisation currently represents one of the main roads to modernize the education system. The main value in the information society becomes information and the ability to work with her. The development of information and communication technologies are the basis for the development of scientific and educational programs on a very different qualitative level. The creation of fast telecommunications and technology development in real time enables the realization of models of educational environment, built on technology access to information and computer means of communication. The scientific and technological progress is not a still phenomenon: in case that not long ago when the e-mail was being considered as the achievement of the century, then today's society is hardly impressed by online technologies and remote access.⁸

Information and communication technologies bring creativity and diversity in the learning process and help broaden the learning environment. Currently, virtually all the training focuses on the development of creative thinking, assignments of heuristic nature. Modelling programs, expert systems, programs for business games and so on are all examples for such software tools. With the help of ICT in the process of training virtual students from various educational institutions located thousands of miles apart, implement joint creative projects, etc.. activities. The global nature of informatisation of society led to the formation of modern trends in education that lead to shortening the duration of contact hours and increase independent work. The opportunities of the information society allow to increase the level of compliance with the requirements posed by business to labor resources in the way of acquiring certain knowledge and skills through modern technology, acquirement of new knowledge and skills, leaving the workplace. New circumstances destroyed the boundaries between classical education and other modern distance learning in the acquisition of new knowledge. As a result of the acquisition and accumulation of individuals of certain knowledge, skills and habits, their quality characteristics and competencies are changing and their need to have a successful professional career is growing . Thus, new necessities directly affect the realization of the workforce.

Information society influences training and by extending the age and timescales of traditional education. The processes of training and retraining are available to all active members of the population in terms of mobility and accessibility of information in modern society. Moreover, the information society precisely creates prerequisites and conditions for a paradigm shift from "learning for life" to a "lifelong learning".

Mass culture, formed under the influence of the information society, is also one of the factors influencing the development of quality human capital. The ongoing informatization sphere of culture in the way of digitization of scientific and cultural heritage, the creation of electronic libraries and providing open access, online access to national and world cultural heritage, raises the level of awareness and knowledge in the field of culture and arts⁹.

Internal and external factors, in their combination, form certain competencies that allow the individual to integrate into the economic system. Factors that form the human capital (internal factors) at the individual level may be considered such institutes engaged in investment in human capital. The development of various forms of property, income growth and social protection, increasing investments in the social sphere promote an accumulation of human capital, which, in turn, being used effectively, expands innovation capacity of the economy and increases its competitiveness.

A number of authors suggest that economic growth primarily depends on the possibilities of production and is associated with the use of the main types of productive resources - labor, capital, natural, which are in limited quantities (traditional factors) used in various stages of development of society. In recent decades, a focused has been put on the analysis of the impact of new factors such as knowledge, science, information and culture in general. Particular attention is paid to researching the impact of human capital on economic growth. Intellectualization of business and recognition of human capital as a key factor of production is an important direction in the development of the economy. The quality of human capital is the foundation for the successful activity of modern business and it has become a major indicator of the level of development of countries and regions. Studying the processes of informatisation of modern society is also a determinant for scientists' efforts in understanding these revolutionary changes, this historic transition in the society's life.¹⁰

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EUROPEAN PROGRAMS AND INTERNATIONAL MOBILITY AS A FACTOR FOR THE DEVELOPMENT OF HUMAN POTENTIAL FOR AN INNOVATIVE SOCIO-CULTURAL SPHERE

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The idea of human capital was developed in the early XIX century by the British economist Professor Alfred Marshall (1842-1942)⁷² who examines the controversial issues about what is capital and what is not, and the inability to set a clear dividing line. Production as interaction between people and nature is treated by many authors - some of them by adding complementary statements, others - new and different theories. But what is most important is the fact that the person already occupies a central place not only in the social sciences, but in the economic ones as well. The use of the terms human, social or intellectual capital, human resources, human potential is constantly increasing. Discussions about post-industrial society, information society, and knowledge society and knowledge economy are also frequently held⁷³. This calls for a thorough examination of the theme of people and their place and role in the complex system of economic and social relations.

The development of human potential can be viewed in several aspects, but key ones remain the developments of the individual as a personality and as part of a certain socium; as part of the organizational, corporate and national resources. The connection between individual development and subsequent changes that occur in the environment where the individual develops is one of the possible scenarios for changing the socio-cultural environment through changing the individual.

After moving from industrial to post-industrial and information society, education and especially the ability to learn (learning how to learn) becomes much more valuable. One can not implement high-tech systems in enterprises and even in everyday activities and at the same time lack provision of qualified personnel who would work with them. There must be consistencies between the professional qualifications of individuals and the technology used; between the qualitative state of human factors and the elements of physical capital⁷⁴.

The determination of rights, not only as a biological entity, a social or an individual consumer, but as a factor of production is done by Scottish Social philosopher - one of the founders of political economy Adam Smith (1723-1790), who compares the money

⁷² Marshall, A. (1993). Principles of Economy - preface and first chapter, Sofia: sp.Ikonomicheska thought 7-8 / 1993.

⁷³ Pavlova, D. (2015). "Knowledge Society" and "knowledge economy". Appearance and trends in the use of concepts. Electronic scientific journal "Rhetoric and Communications" No.. 15.

⁷⁴ Kazakov, A. (2010). Human capital: conceptual framework and operational methodology. Sofia: Scientific papers of National and World Economy.

invested in expensive machinery and the money invested in training a person in a craft that requires extraordinary dexterity and skill.

Human development and ability to learn is as important as technology development. The environment is changing and in order for people to survive they must constantly change. This is a fundamental principle in nature, but also in every sphere of human activity. Education in itself is not helpful, except for self-assertion of the individual; however, when put into practice it is transformed into a useful product or service.

Alfred Marshall defines education as a national investment. It's no secret that education costs are very high, but this includes not only basic education, which is compulsory in the Republic of Bulgaria but also higher education, research, training programs, retraining and more. It is easy to judge, led by purely financial side of things, on how important it is to invest in people, who will then generate income for the family, for the organization of the state.

Education and development of human personality does not only happen in school or at university, it begins and takes place mainly in the family. Consequently, many authors included resources necessary for raising and educating children in the cost of human capital formation. Lalko Dulevski⁷⁵ expresses the view that the formation of human capital is the result of carrying out significant costs with long-term use, which essentially characterize the invested funds. At first glance, such costs are not perceived as investment by the individual or their family, as very few people can differentiate them from the other type of costs associated with normal reproduction of human life. However, in the majority of their life, the individual or their family commits significant financial resources for the payment of goods and services that are directly related to human capital formation and essentially constitute investment costs.

Education costs are carried out in different stages of a person's life, but benefit occurs at a later stage unlike cost that meet other needs such as the need for food and clothing. However, the majority of the population has realized the need for better education and the future benefits that it brings. The European Union is such an example with its many initiatives and programs aimed at educating the population in Europe and worldwide.

Education is so important that the European Convention on Human Rights⁷⁶ stipulates that no one can be deprived of the right to education. The right to education and knowledge throughout the life of a person is one of the main objectives of the European Union. Bulgaria, as an EU member state has also developed a national strategy

⁷⁵ Dulevski, L. (2012). Assessment of human capital: Approaches and solutions. Sofia: Yearbook of World Economy.

⁷⁶ *European Convention on Human Rights.*

for lifelong learning. It recorded the basic principles and mechanisms for lifelong learning as not only formal, but formal and informal learning were included. The document laid the foundation for the development and modernization of education in a way that encourages development and acquisition of key competences and its orientation towards provoking independent and critical thinking, independence, formation of practical skills and the intellectual development of personality⁷⁷. The opportunities for formal and informal learning are also outlined there, with a special place given to the exchange programs - "Lifelong Learning", "Youth in Action", "Erasmus" and "Erasmus +".

All these strategies, programs and initiatives have been developed in order to enable individuals to develop their individual needs and abilities. Thus, the aims are for a society of intelligent, educated people, who understand and accept diversity in others, to be build. Developing the potential of each person individually accumulates human resource which is a prerequisite for a developing economy.

In order to trace the relationship between people and innovation a definition for innovation should firstly be given, which is not easy because various scholars have many different definitions. The definition used here is meant to outline the main characteristics of the term innovation - it can be used as a synonym for novelty and it means acceptance or use, development or implementation of ideas, processes, practices, methods, new or refurbished goods and services.

Being able to talk about innovation is necessary only when two conditions are met - the availability for a new idea, process, method and their perception, i.e implementation. It is inconceivable to think that, in a rapidly changing environment, without changing the way we have worked and lived so far, we can expect results similar to current ones or even better. After the transition from an industrial society to an information society, we must respond much quicker to changes in order to have success in work and in life. If years ago the radical innovations have occurred in large intervals and were mostly technical in nature, nowadays a much shorter cycle of technological innovations is being observed. These include innovations not only in technology but in daily activities as well that were until recently considered as routine ones.

The need for change is recognized and hard work has been purposefully invested in this direction. An example for such work is the operational programme "Science and education for smart growth"⁷⁸. Only a glance at it is enough for one to see the priority axes of the operational program and how an emphasis is put on innovation and implementation. Yet innovation should not be an end in itself. They must be cleverly be

⁷⁷ *National strategy for lifelong learning for perioda2014-2020 year.* (2014). Sofia: MES.

⁷⁸ *Operational Program "Science and education for smart growth" 2014-2020,*(2015). Sofia: MES.

adapted and implemented to optimally affect the environment and lead to the desired positive result.

Innovation can be different – from new teaching methods in education to new approaches in the management of a hospital or other organization. To be able to apply and develop innovation in their foundation people and the environment should also be involved in this process. If the environment is not conducive and human resources is not open to the new and relevant trends and if they are not ready to change the status quo, there is no way innovation can be implemented. This is the reason why investing in people to be more educated, more curious, more open to the world, is a prerequisite for the successful implementation of innovations.

A very useful way to change people's thinking and to set positive development is for them to participate in international exchange programs. The opportunities for such activities are many and varied - the 'Erasmus +' - successor of the European programs "Lifelong Learning" (2007-2013), "Socrates" (1994-1999), "Socrates II" (2000-2006), Europe and the Program for lifelong learning "Erasmus", founded in 1987. It aims to encourage student mobility and to date it covers the member states of the European Union, Iceland, Liechtenstein, Norway, Turkey, Croatia and Macedonia.

Student exchange programs is among the most successful and recognizable European Union initiatives. This program "Erasmus +" is geared not only towards the mobility of students and staff from higher education institutions, but also to vocational education and training, school education, adult education, youth and sports initiatives.

Mobility-related training is gaining strength and university product yield more tangible international dimensions. UNESCO data show that students who choose at some point in their studies to go abroad, are over 3 million students annually, a quarter of which are Europeans who take the opportunity to spend several months or several years in higher education institutions outside their homeland.

The most mobility-friendly continent proves to be Asia, and the most preferred one- Europe, where more than half of the students come to study and the smallest share in academic exchanges remain for Australia and Latin America. The countries in Europe that attract most students are the UK (where young people from all over the world go, the most numerous are those from China, India, Greece and the USA), Germany (preferred mostly by Chinese, Turks Poles and Bulgarians) and France (attraction for Chinese and French-speaking Africans from Morocco, Algeria and Tunisia). The US undoubtedly remains the most attractive study destination in the world. The largest groups of students are from China, India and South Korea. German students are the ones who travel most often with this program, followed by the French and the Spaniards.

Academic mobility is not simply a matter of intellectual and cultural prestige, but also a serious economic factor. Besides the business in host countries that may rely on more qualified personnel, but also if graduates remain to be implemented in place, the benefits come from young people's involvement in the transfer of knowledge and creativity. Local students also benefit from this because acquire skills to communicate in an international environment.

Young people who are included in mobility even within a few months, beyond the purely academic benefits, acquire valuable and very important for their professional realization qualities like adaptability, creativity and innovative thinking, coping with difficult situations and stress, and others which are among the priorities of employers. These so-called soft skills are often preferred in comparison with purely professional qualifications and cause *ceteris paribus* for employers to prefer such candidates. Furthermore, professional and social networks that are created during the academic stay in another country have the potential to open a lot of doors and boost the careers of many young people.

Despite these obvious benefits, mobility programs such as 'Erasmus' find it difficult to reach their full potential, even in some Western European countries interest in them began to decline. There are reasons that hamper mobility: lack of information, daunting financial burden, bureaucratic difficulties in the recognition of diplomas and languages.

Most of the countries with a tradition of educational mobility endeavor to improve and develop supply so that they motivate young people to travel and to learn. For example, France is a country where the objective of the mobility is for it to become the rule and not the exception, creating an opportunity for anyone enrolled in a bachelor's or master's program to go abroad at least for one or two semesters.

Besides the measures that each country applies, people are working on the creation of a unified system for quality assurance and academic recognition at an European level, and for the widespread introduction of three university degrees - bachelor, master and doctoral enshrined in the decisions of the Bologna Process⁷⁹.

Thanks to programs such as "Erasmus +" it is very easy for person to meet and share experiences with people from different countries with different culture and a different way of looking at life. A study, conducted for the European Commission, on the impact of the "Erasmus" on participants in student exchange shows that more than 90% of respondents students improved their soft skills such as the ability to work with people from different cultures enriched their knowledge about other countries improved. They have communication skills and knowledge of a foreign language. Participants in the study

⁷⁹ *Bologna declaration*. (1999). Bologna: EU.

indicated mobility as a determining period which contributed to their personal growth and helped them to further build on their professional development. Students interviewed indicated that after the exchange they have improved or developed abilities for *teamwork, presentation skills, problem solving skills, critical thinking, determinability, creativity, cultural and ethnical tolerance, self-realization, better understanding of others, responsibility and adaptivity.*

Conclusion: This study is just one of many that show how useful such exchange programs can be and that this is the most sustainable way to develop values that are a prerequisite for changing the environment and not only the socio-cultural one. Even short-term mobility in another country can change the outlook of a person; it may have a positive impact on their perception of the world and open the field to new ideas.

Bulgaria at the moment is more of a source rather than the receiver of academic mobility. Although some universities have introduced training programs in English, German and French, the interest is still not very large, with foreign students here being mainly from neighboring Macedonia, Turkey and Greece.

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CHAPTER THREE

Analysis and Evaluation of the Human Potential Development for an Innovative Socio-Cultural Sphere

CONTINUING VOCATIONAL TRAINING - A FACTOR FOR THE DEVELOPMENT OF HUMAN POTENTIAL IN AN INNOVATIVE SOCIO-CULTURAL SPHERE

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Cooperation in the field of education and training for adults since the beginning of 2011 is headed by renewed European agenda for adult learning⁸⁰ (EAAL), which invites member - states to focus their efforts on the priority areas identified in the strategic framework "ET 2020"⁸¹. Among the priorities special attention is given to measures aimed at enabling all adults to develop and improve their skills and competences throughout their lives. In particular, the updated program is aimed at adults lacking basic skills and / or the ones who left early primary education, i. e. ones with low qualifications or no qualifications. It is said in EAAL, " in order to meet both short and long-term consequences of the economic crisis, it is important for adults regularly to enhance their personal and professional skills and competencies. Given the current instability in the labor market and the need to reduce the risk of social exclusion, this applies particularly to people with missing or inadequate skills and low qualifications. [...] Thus, as it is enshrined in the "Europe 2020" Strategy, special attention must be directed towards the acquirement of literacy and counting skills and qualifications for a large number of low-qualified Europeans; measures that would give a second chance as a prerequisite for improving working skills and life as a whole must also be implemented."

A wide range of issues related to human capital and adult education remain, namely: are there any officially involved institutions at the highest level to facilitate access to education and training for adults with missing or inadequate basic skills and / or low-skilled and unskilled; what opportunities exist for those learners; what tools are used to facilitate the return of these adults to education and training; are there any other measures taken to support these adult learners as raising awareness, access and support; how to finance existing provision and what specific aid has the support of the target groups.

In this context, the objective of this paper is to analyze the human capital in Europe. An overview of educational attainment and skills and competences of the European adult population is made. To achieve this objective data from international studies, namely data

⁸⁰ Council Resolution on a renewed European agenda for adult learning, OJ C 372/1, 20.12.2011, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011G1220%2801%29>(Date accessed 13/08/2018)

⁸¹ Council Conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training (ET 2020), OJ C 119, 28.5.2009, www.cedefop.europa.eu/files/education_benchmarks_2020.pdf (date accessed 13/08/2018)

from the Eurostat data from the EU Labour Force Survey (EU LFS)⁸², The Adult Education Survey (AES)⁸³ and the Information Society Statistics (ISOC)⁸⁴ was used. It also includes data from the OECD Survey of Adult Skills (PIAAC)^{85,86}.

Human capital in Europe

1.- Educational attainment of the European adult population

Educational attainment of the adult population is commonly used as the primary evaluation criterion for the available knowledge and skills in the economy by measuring the level of formal education of the adult population. According to the survey of the EU workforce (EU LFS) about 75% of adults (25-64) in Europe have completed at least secondary education⁸⁷. This means that adults with educational attainment below average represent about a quarter of the European adult population, i. e. about 70 million adults in the EU. The completion of secondary education is seen as a basic requirement for successful entry into the labor market and for achieving continuous employment. European policy in this area is aimed primarily at young people and focuses on the concept of "ESL" or "early exit from the education and training" (ELET), i. e. the completion of education or initial training before completing upper secondary education.

There are significant differences between countries in the proportion of adults without secondary education⁸⁸. In the Czech Republic, Estonia, Lithuania, Poland and Slovakia this share does not exceed 10%. It is relatively low - between 10% and 20% in Bulgaria, Germany, Latvia, Hungary, Austria, Slovenia, Finland, Sweden and Norway. At the other extreme are Turkey with almost 70% of the population aged 25-64 without completed secondary education, Malta and Portugal with 60%, Spain and Italy with more than 40%. It is worth noting also that the category of adults with low levels of education includes people who have stopped prematurely primary education. This very low level of

⁸² <http://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey> (Date accessed 08/13/2018)

⁸³ <http://ec.europa.eu/eurostat/web/microdata/adult-education-survey> (Date accessed 08/13/2018)

⁸⁴ http://ec.europa.eu/eurostat/statistics-explained/index.php/Digital_economy_and_society_statistics_-_households_and_individuals (Date accessed 08/13/2018)

⁸⁵ OECD, 2013a. OECD Skills Outlook 2013: First Results from the Survey of Adult Skills. Paris: OECD, Available at: [https://www.oecd.org/skills/piaac/Skills%20volume%201%20\(eng\)--full%20v12--eBook%20\(04%2011%202013\).pdf](https://www.oecd.org/skills/piaac/Skills%20volume%201%20(eng)--full%20v12--eBook%20(04%2011%202013).pdf) (Date accessed 08/13/2018)

⁸⁶ OECD, 2013b. The Survey of Adult Skills: Reader's Companion. Paris: OECD, Available at: <http://www.oecd.org/publications/the-survey-of-adult-skills-9789264258075-en.htm> (Date accessed 08/13/2018)

⁸⁷ See more details: http://ec.europa.eu/education/policy/school/earlyschoole-leavers_en.htm (date of access 29.01.2015)

⁸⁸ Eurostat (EU LFS). Data on the adult population with attainment below ISCED 3: Online data code: edat_lfs_9903 (data extracted September 2014); data on the adult population with attainment below ISCED 2: Extracted and calculated by Eurostat. (date of access 08/13/2018)

educational attainment affects about 6.5 percent of adults in the EU, which corresponds to about 20 million people. The share of the adult population without complete lower secondary education does not exceed 2% in 12 countries (Czech Republic, Denmark, Estonia, Latvia, Lithuania, Hungary, Austria, Poland, Slovenia, Slovakia, the United Kingdom and Norway). In Bulgaria, Germany, Croatia, Romania and Sweden this share is relatively small (between 3% and 4%). Portugal and Turkey are in the opposite spectrum - while in Portugal about 39% of adults have not completed lower secondary education, in Turkey this figure is around 57%. Belgium, Greece, Spain, Cyprus, Malta and Iceland are also characterized by relatively high proportions of the adult population who has not completed lower secondary education (between 10% and 20%).

Available EU LFS data also show that young people are less affected by lower education achievements rather than older population. In the majority of states, beginning with adults born around 1950, future generations have access to enhanced educational opportunities. Lower education is more common among older generations. In particular, while only about 18% of the adult population aged 25-34 obtain less than secondary education, the figure is around 27% for people aged 45-54 and 34% for those aged 55 and 64.

Data for individual countries show that 12 countries (Belgium, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Malta, Portugal, Slovenia and Turkey) noted a particularly strong rise in the levels of educational achievement by a margin of more than 20 percentage points between the age groups 25-34 and 55-64. In as much as some of these countries, particularly some southern European countries, yet the proportion of adults without secondary education is high, however the data show an increase in educational opportunities available.

The educational profile of the population of immigrants is an important factor that has to be considered. Data from the EU LFS show that the average for all countries - EU members, people born outside their country of residence (born abroad) have lower educational attainment (i. e. lower than secondary education) than the entire adult population (34% against 24.8% in 2013)⁸⁹. The problem is particularly serious in southern European countries (Greece, Spain, Italy, Malta and Portugal) and France, where more than 40 percent of foreign-born have not completed secondary education. In all these countries, foreign-born residents represent a significant part of the total adult population.

2.- Skills and competencies of the adult population

Although the educational level is an important indicator of human capital in a society, in many cases it is not always enough and totally valid to measure people's skills.

⁸⁹ See more detail: Eurostat, online code: edit_ifs_9912 (date dostap13.08.2018)

The skills acquired in the educational system can grow old if you do not support and complement or on the contrary, the low achievement of formal education can be enhanced with a range of diverse skills and expertise acquired in the course of human life. Moreover, in different countries, the same educational level may be associated with different skill levels. In this context, the OECD study skills for adults (PIAAC), which directly assess the skill levels of the adult population (16-65 years), adds a new perspective on the comparability of human capital between countries. The study measured literacy mathematical skills and problem solving in high-tech environments; the first stage of the study included 17 countries - EU members and 15 countries outside the Union. The data showed that an average of the 17 EU countries respectively 19.9% and 23.6% of adults have low achievements in literacy and mathematics⁹⁰.

When you consider the situation in individual countries, Italy and Spain have the highest proportion of adults with low literacy skills (28%) and mathematics (30%). Best achievements are observed in Finland. There, low levels of literacy and math skills math are set at 10.6% and 12.8% of the adult population. Several other countries - Czech Republic, Netherlands and Slovakia marked similar results to those of Finland.

Average data on literacy and math skills of adults are comparable to figures for educational attainment of the adult population - eg. Spain and Italy on the one hand and the Czech Republic and Slovakia on the other. However, it should be said that the two sets of data are not always comparable. In Poland, for example, about 10% of adults have not completed secondary education, but respectively 18.8% and 23.5%, have low literacy and math skills. Furthermore, the data must be interpreted with caution even for countries where data are consistent. In fact PIAAC study shows that older individual countries with the same level of education have very different levels of basic skills⁹¹. This shows that there is no direct link between formal educational attainment and the level of their skills. However, there is a strong positive relationship between education and skills, as the low level of education determines an increase in the likelihood of the presence of low levels of basic skills possessed.

PIAAC study shows that in most cases the immigrant population has significantly lower levels of literacy and math skills than those born in the country of residence. However, this is partly explained by the fact that the assessment of competence is only in the local language (s) so that the speakers of other languages may experience a language barrier. For them PIAAC can be seen as a test of their competence in the local language. In the surveyed 17 EU countries and Norway, the lowest level of literacy of foreign-born residents is registered in Italy, followed by France, Spain and weden (OECD 2013a, p.

⁹⁰ OECD (PIAAC)

⁹¹ See in more detail the online tables related to OECD, 2013a available at: <http://www.oecd.org/site/piaac/chapter3thesocio-demographicdistributionofkeyinformation-processingkills.htm>, Table A3.10 (L) (date of dostap13.08.2018)

126). The biggest differences in literacy between those born abroad and those adults born in the country are established in Sweden, followed by Finland. These differences appear to be the result of much lower average results among recent immigrants. Other countries with above-average differences in the results are the Netherlands, Norway, Denmark, the Flemish Community of Belgium and Germany⁹².

The research of adults' skills of PIAAC also evaluates ICT skills (ICT) in adults, particularly the skills to solve problems in a technological environment. The results show that about 27 percent of adults surveyed EU countries⁹³ have "very low skills" or "lack of skills" in solving problems in the technological environment. This includes 14% who can perform only simple tasks in such an environment and 13% who do not have computer skills or have such a low level of knowledge that they can't perform a computer test⁹⁴.

Eurostat's statistics on the Information Society (ISOC) also provides information about the computer skills of the European adult population. They reveal that on EU average, 30% of adults (25-64) have never used a computer or have done only one from the included in the study tasks related to the most basic ICT operations⁹⁵.

Huge differences between countries were established. Romania and Bulgaria have the highest proportion of adults (67% and 55%) who have never used a computer or performed any of the tasks. In Luxembourg, Denmark, Finland, Iceland and Norway only 10% of adults fall in this category. This is somewhat consistent with the results of the PIAAC survey, according to which Denmark, Finland, Sweden and Norway, and the Netherlands have a lower share of adults with low computer literacy compared to other EU countries, participated in the evaluation PIAAC. ISOC data from 2011 also show that 45% of adults (aged 25-64) in the EU believe that their current computer or Internet skills would not suffice if they want to seek or change their job within one year⁹⁶ (5).

Conclusions: The analysis of data related to human capital in Europe allows for some basic conclusions regarding the educational level of the European adult population to be done.

- About 25% of adults in the EU have not completed secondary education, which is currently considered a basic requirement for successful entry into the labor market and continued employment.

⁹² Ibid p. 127

⁹³ See in more detail: the online tables related to OECD, 2013a available at: <http://www.oecd.org/site/piaac/chapter3thesocio-demographicdistributionofkeyinformation-processingkills.htm>,

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⁹⁴ European Commission, 2014a. Education and Training Monitor 2014. [pdf] Available at: http://ec.europa.eu/education/library/publications/monitor14_en.pdf(Date accessed 08/13/2018).

⁹⁵ Eurostat (ISOC). Online data code: isoc_sk_cskl_i (data extracted) (date of dostap13.08.2018)

⁹⁶ See in more detail the Eurostat website, online code: isoc_sk_cskl_i (date dostap13.08.2018)

- Furthermore, 6.5% of adults have not completed any formal education beyond primary level.
- Among EU countries, the southern countries are most affected by the low level of education among adults.
- Turkey is characterized by a particularly high proportion of adults with low qualifications.
- Young people on average have a significantly higher level of education than the older population.
- The adult population that is foreign-born, averaged to be less qualified than the one born in different countries.

Data on the skills of the adult population report:

- In the 17 EU countries participated in the first stage of the study PIAAC, respectively 19.9% and 23.6% of adults have low literacy and math skills.
- Patterns observed are on average in accordance with the data on educational attainment of the adult population.
- About 30% of adults in the EU have "very low" to "zero" skills in ICT.
- Bulgaria and Romania have a particularly high share of adults with inadequate ICT skills.
- Almost half of all adults in the EU believe their skills in ICT do not fully meet the requirements of the labor market.

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PROBLEM SOLVING TRAINING – A TRANSITION FROM A LEARNING SITUATION TO A REAL ONE

Chief Assist. Prof. Dr. Tsvetana Antipesheva

Intellect is increasingly being interpreted as the ability to solve problems. The general approach to dealing with them is essentially a model for a reasonable way to solve the random routine, practical or technical task with which one meets daily in their business. Decision making and problem solving are key skills that everyone should have. Whatever one does, wherever they are located, they have to make decisions and solve problems every day - be it important or not. The relationship between decision making and problem solving is direct. Decision-making can be seen as part of the process of solving problems. Studying them leads to higher adaptability and creativity.

"Being competent in solving problems is being able to recognize them in time to define them correctly; to consider and classify them according to the context in which they occur. Other skills required for this competency are: the ability to see the problem from different angles, to choose the right approach and to see the decision as a process from beginning to end."⁹⁷

According to V. Gyurova and B. Bozilova⁹⁸, by solving tasks, students develop skills to solve problems. They make it possible to formulate other useful learning skills. Specific techniques for that are being created. Studying them leads to the possibility of dealing with any life situation or problem.

The stages of the process of solving educational problems can be formulated as follows:

◀ **Defining the task.** What exactly should be decided? What kind of a particular problem is it? What kind of response does it require - report formula, including, action, essay and others. Is this a problem similar to other problems or tasks that have been resolved? Can an earlier decision be applied?

◀ **A look at the problem from different angles.** Is there any similarity to other problems? Can we review the problem to present itself as a scheme to identify the most difficult parts? What other view is possible?

◀ **Specify the required information.** Can some notes be used? Which theories and case studies should be implemented? What other resources are needed? Who can seek information?

◀ **Consider alternative solutions.** What are the advantages and disadvantages of each solution? Would it work? Ultimately, what is the best option? Why?

⁹⁷ www.competencies.nbschool.eu/node/28, "Наръчник competence "Solving problems", "p.6

⁹⁸ Gyurova V. Bozilova C. (2008) Developing skills for learning, "St.. Kl. University "S.

◀ **Recording problem.** What is the method to solve the problem? How many ways are there for reaching a decision?

◀ **Consider the reasons in case of a failure.** Is this the right decision? If not, why has it come to here? Can I got through this situation? Do I need any help?

◀ **Identification of desired results.** Are these the outcomes? Are they the only ones? Could there be any other?

◀ **Criteria for assessing the quality of execution.** Can I check the result? Is the quality good enough? Is the path, which I used to get here, the shortest?⁹⁹

Planning and monitoring the formation of problem solving skills require knowledge on the methods of problem solving, the factors for planning and the monitoring procedures. These factors are: time, other commitments and pressure, changing priorities, inefficient and inadequate techniques for problem solving, access to resources.

John Dewey wrote about problem solving in his work "How we think." It presents an idea to solve the problems, the essence of which is using the plan of activities. It offers a model for problem solving in general, not necessarily mathematical tasks such as business, economics, and industry. Dewey's model can be described in six steps that look like this:

- ◀ Understanding or orientation purposes - identification of the problem situation;
- ◀ Determination of the task;
- ◀ Drawing up a plan;
- ◀ Execute the plan;
- ◀ Passing through the implications;
- ◀ Evaluation: a look back to determine whether the result satisfies the initial conditions look forward to the conclusions of both the methods and the results.¹⁰⁰

Ivan Ivanov offers an interesting interpretation of this issue as well. Psychologically, solving problems is associated with the formulation of new goals in the process of an ongoing activity. Analyzing the problem situation leads to "separation" of the familiar from the unfamiliar matter. The unknown becomes the object of the decision making process. It passes through several stages:

- ◀ **Awareness of the problem situation and formulating questions.** The problematic situation is arbitrarily divided into elements of separation - known to it from the unknown ones. Not only awareness of the situation is achieved through analysis and synthesis, bu the formulation of the question is also carried out. This means transforming the problematic situation in a particular task to one which will lead to taking the decision;

⁹⁹ Cathpole, R. Study skills. (1994) Skills approaches for effective study. Plymouth Business school., Pp. 139

¹⁰⁰ J. Dewey. (2002)., Do you think, Minerva, S.

◀ **Analysis of the conditions of the task.** Both internal and external conditions of the situation are analyzed. It is the chain of reasoning, which compares the known with the unknown, which allows connection between them. A similar task for which a decision has already been made can be sought after;

◀ **Retrieval and analysis of hypotheses.** We do plan on how to solve the problem. It determines the direction of search and workflow. The plan was originally in hypothetical terms. This allows for it to be replaced by another in case it turns out to be unsuccessful;

◀ **A final decision.** A verification of the authenticity of the formulated hypotheses and the accuracy of the schedule decision is performed. Methods used here are different and unequally effective: sample – error method, using ready algorithm, creative solutions;

◀ **Check the decision.** This is the final stage. Here we compare the conditions of the problem with the outcome of the problem solutions. If it is satisfactorily completed, it is assumed that the problem solving is over. If not - the procedure shall be restarted, with all the stages being re-completed.¹⁰¹

The process of solving problems is recreated by JK. Griinsbarg, in a comprehensive and accessible form, in his "General model for decision-making." It divides it into eight stages:

◀ **Identification of the problem.** This stage is not easy to implement, because here you need to ensure social perception of the problem situation. This is associated with a great deal of subjectivity, since the same situation can be perceived differently. The element of subjectivity is associated with a different significance or value that this situation has to the one who perceives it;

◀ **Defining the objectives that must be achieved.** This is related to the need for understanding the content of the problem. Having the aims outlined, makes it for a much easier process when choosing the approaches that would be applied in the decision making process;

◀ **Pre-decision making.** It defines the procedure by which the mode of making the decision itself is determined. Based on the experience gained one can bet either on individual or on collective decision making. A significant volume of information is being looked over at this stage; a thorough analysis is made rather than relying on intuition;

◀ **Offering alternatives.** Offering them leads to better insight into the nature of the problem and to better identification of it;

◀ **Assessment of the proposed alternatives.** This takes into account not only the efficacy of the decision but also the difficulties in its implementation;

◀ **Making the decision itself.** Describing it as technology, it includes principles applied in evaluating alternatives. The style and the approach of the one who makes the decision, which gives it a personalized element should not be missed;

◀ **Implementation of the solution adopted.** We need to create the necessary arrangements for the successful implementation of the decision;

¹⁰¹ Ivanov Eve. (2004)., Organizational Psychology, Faber, S., p. 238-240

◀ **Continuation of the decision-making process.** The effect of the decision is of the most importance here. An assessment is made on whether the problem, for which a solution was created, still exists and on whether the decision caused a new problem. If the problem situation is resolved, the cycle closes.¹⁰²

Here's another interpretation, featuring more questions asked than answers displayed. This method of interpretation also leads to many thoughts and poses problems to solve:

◀ **Analysis.** Is this a real problem, or rather is it a symptom of another, far more important to solving the problem? Do we have to find the right way to improve this particular situation?

◀ **Honesty.** Could we be causing the problem? Is it possible that our "contribution" exists when it comes to causing a problem? Should we seek "external" reasons and excuses for what is happening?

◀ **Forecast for the future.** What will happen if you do not solve your problem? What will happen if we can't solve it properly? What can we lose and what can we win? What is the most pessimistic and the most optimistic scenario?

◀ **Competence.** Are we aware of how we can deal with the problem? Do we have real knowledge and skills?

◀ **Trust.** Will we trust a specialist to help us solve the problem?

◀ **Risk taking.** Are we willing to risk and break the routine and habits, assuming a new and unknown to us until now course of thinking and action? Should we stop the current practice and begin to act in a new way?

◀ **Discipline.** Are we willing to do the necessary actions long enough to fully solve the problem? Do we have the necessary determination, motivation and self-discipline to handle? How strongly do we want change?

◀ **Development.** Are we open-minded towards gaining valuable experience from our mistakes and actions in order to improve our skills and in order not to allow for similar problems to emerge again?

Project **SARA** provides an interesting interpretation of solving problems. It is an acronym for scanning, analysis, reaction (response) and assessment (evaluation). The model was proposed by Herman Goldstein¹⁰³. It is successfully used mainly by police to develop strategies on problem solving. It consists of the following stages: **Scanning** - the first step is identifying the problem and helping future decisions; **Analysis**- disclosure represents the root causes of the problem. Analyzing the problem can usually be challenging. **Response** - overcoming the problem through particular actions. The plan of action can lead to success or failure in the comprehensive settlement

¹⁰² Baron R. A. (1986)., Behaviour in organisations, Boston, London, Sidney, Toronto, pp. 395-397

¹⁰³ www.popcenter.org/goldstein/

of the problem; **Assessment** - measures the activity of actions (actions lead you to achieving the objective).

SARA model can be used not only for the needs of the police, but in all spheres of life as well - business, education, work, even for everyday life problems.

In terms of how to generate objectives and steps of mental Allen Newell and Herbert Simon found that their experienced persons adhere to the following four strategies:

◀ **Path analysis order - means**

Here the approach is to shorten the distance between the current position of the subject in the problem space and the destination. Such a strategy is effective if the problem space is small and possible to cover the subject and it can have a good assessment of the course of its advance toward the ultimate goal.

◀ **Pre-emptive work**

The subject tries to imagine a future state of affairs and to examine what action can this future state achieve;

◀ **Job drawback**

The initial problem is broken down into multiple constituent problems and each is attacked individually.

◀ **Generating and sampling**¹⁰⁴

The formula is 99% successful. The remaining 1% is called "luck". One should not ignore this factor. The meaning of the formula for success, however, is to minimize the importance and influence of luck. If the problem is not solved, it is necessary to return it in time and a fresh look at the decision and plan should be given. In many cases right timing is a factor that helps tackling the problem.

Finally, a summary of the options is made. They have common styles of approaching the problem, not depending on its content. Their stages are very similar. These are actually different styles of learning situation thinking. We have gone through a learning situation to a real one. So far we examined solving problems as a cognitive activity of the individual subject. This is typical in learning situations, but in real life the individual is not alone. There are other individuals around them who give them advice, on whom can always be rely on for evaluation and assistance. The transition from school to life situation and vice versa enriches students and makes them more adaptable and more creative.

Finally, we will examine the advantages of this type of training:

- ◀ Students are encouraged to be active participants in their education;

¹⁰⁴ www.instructionaldesign.org> Learning Theories

- ◀ The information is retained better as it is learned in connection with its application (in context);
 - ◀ When working with a "real problem" students learn to apply the acquired knowledge;
 - ◀ By starting with "practice" and working back to the "theory" the importance of the teaching material is estimated;
 - ◀ Independent qualities are created - building skills, independent learning, self-study, co-group learning, teamwork, communication skills, problem solving, interpersonal relations, evaluation and self and others.

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DEVELOPMENT OF TEACHER'S POTENTIAL FOR AN INNOVATIVE ACTIVITY IN THE SYSTEM OF VOCATIONAL HIGH SCHOOLS

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This chapter is devoted to the problem of the need to develop the potential of teachers working in vocational high schools to realize innovative activities during the performance of their official duties and especially during teaching. The authors suggest that the continuing qualification of the teachers has positive effects on the quality of teacher's work, with a major emphasis on implementing innovations, as well as on the results of the students, who are being educated.

The study is based on the view that the development of teachers' potential for innovative activities in the vocational high school system will lead to the following results: increased motivation, higher grades, increased creativity and innovation in their pupils' educational activities.

Vocational education has, among other things, the fundamental objective of creating a strong motivation in trainees for national and international internship and employment, through which the individual will provide the necessary means for himself and his family instead of relying on unemployment benefits and the different types of social assistance, paid by the social security system. It is logical to assume that better-trained teachers will contribute to the graduation of better-prepared students, who in turn will more successfully implement themselves in today's global economic environment. Obtaining a job and its retaining requires that young people have a set of hard (professional) and soft (social) skills. In this sense, through different educational approaches, both classical and innovative, teachers have to contribute to creating an efficient human resources for the businesses, which are part of the different sectors of the economy. Resources that should not be alien to self-organization, teamwork, initiative, the right behavior for the professional environment, and others.

Based on a questionnaire survey and a study of national and European documents, this chapter discusses the need to develop the potential of teachers for innovative work.

As early as 2000, in the Memorandum of Lifelong Learning, the Commission of the European Communities stated that:

- ✓ Education is the key to learning and understanding how to meet the challenges in the lives of modern Europeans;

- ✓ More investments in human resources are needed, for example through individual learning accounts and training schemes for companies themselves;
- ✓ Innovation in teaching and learning is a key message; the aim is to develop effective teaching and learning methods for lifelong learning;
- ✓ Improving the quality of learning and learning methods means a significant investment by Member States to adapt, improve and maintain the skills of those working in formal and non-formal learning environments.

In Bulgarian National Lifelong Learning Strategy 2014-2020, which addresses all areas of learning, incl. vocational education, there are four main priorities, including:

- ✓ implementation of an educational approach and innovations in education and training to support the development of all learners and their establishment as capable people;
- ✓ Improving the quality of education and training aimed at the acquisition of key competences by learners; an essential precondition for which is the effective basic and continuing qualification of teachers.

The National Strategy for Development of Pedagogical Staff 2014-2020 states that:

- ✓ a number of studies and findings on the quality of education show the need for continuing professional qualification of the pedagogical staff;
- ✓ The participation of teachers in training courses is not active enough.

In the context of the current stage of the development of the pre-school and school education system in Bulgaria, incl. in the first place, the new Law on Pre-school and School Education stipulates that the upgrading of the qualification of the particular pedagogical specialist is not only for the purpose of his career development, but is directed at the progress of children and pupils, as well as in the improvement of their educational outcomes (Article 224). On the other hand, in the Guidelines for Application for Inclusion in the Network of Innovative Schools of Bulgaria for the academic year 2018/2019, the Ministry of Education and Science identified the need to build a new educational paradigm through which students improve their educational outcomes through innovative educational processes, teaching methods and others. An important element of this paradigm is the innovative qualification of teachers, i.e. they should have the opportunity for professional development in an environment of continuous improvement, in compliance with the European Commission's policy on lifelong learning.

Legislation on the qualification of teachers in vocational high schools

Since August 1, 2016, a new Law on Pre-school and School Education has been in force in Bulgaria. It stipulates that the teaching position is occupied by persons with:

- ✓ higher education

- ✓ and professional qualification "teacher", which is also acquired in the higher education system.

In vocational schools it is permissible for a subject or module of vocational training, for which there is no corresponding professional field in the Classification of Higher Education Areas and Professional Fields, a person to be appointed a teaching position:

- ✓ without him having higher education and professional qualification "teacher";
- ✓ or him having higher education, but him not having a professional qualification "teacher".

In cases where the appointed person does not have a teacher qualification, the school is obliged to prepare and implement a plan for the acquisition of a such qualification.

Under the law, upgrading of the qualification is a right and, at the same time, an obligation of the teacher, the aim of which is to improve the quality of pupils' education.

Raising the qualification takes place annually in two directions:

- ✓ through the qualification credit system – within a minimum of 48 academic hours for each period of attestation (four years), teachers must successfully complete trainings, organized by external organizations (specialized service units, higher education institutions and scientific organizations, as well as by training organizations offering courses on approved training programs);
- ✓ through the system of interinstitutional non-credit qualification, consisting in the exchange of good practices in different forms, as well as under international and national programs, within not less than 16 academic hours per academic year.

It is legally the responsibility of the state to create conditions for raising the qualification of the pedagogical specialists. One of the main mechanisms for fulfilling this obligation is the current National Qualification Program, which in 2018 has a budget of BGN 800 000. The other main mechanism is under the State Educational Standard for the financing of institutions in the system of pre-school and school education. According to the ordinance regulating this standard, the state budget funds for the upgrade of teachers' qualifications are included in the funds for maintenance of the activities of education and training of the students and are planned as expenditure on the budgets of the schools. In the Collective Labor Agreement for the system of pre-school and school education signed between the social partners on 11th of June, 2018, it is stipulated that the above-mentioned annual funds for qualification are in amount not less than 1.2 per cent of the annual wages of pedagogical staff and they are provided for the inclusion of

pedagogical specialists in training courses previously agreed with the social partners, discussed at the Pedagogical Council and approved by the Principal.

It is also added that the qualification in introducing new curricular content and new curricula is financed by the Ministry of Education and Science. For the previous CLA (2016-2018), the amount of the funds was not less than 1% of the Wage Fund and it was 0.8% previously.

Methodology of the study

The method used for the questionnaire survey of the development of teachers' potential for innovative work in the vocational high school system was a self-administered study. The questionnaire consisted of three modules of questions: profile of the interviewee, participation in qualifying forms, results from the application of the acquired knowledge and skills. Questions were closed-ended, some of which provided the opportunity for submitting additional information or free-style comments. The target group of the survey were the teachers working in the vocational schools, so the questionnaires were distributed to teachers in the mentioned type of schools in Blagoevgrad. A total of 30 filled-in questionnaires were collected using the voluntary participation method. The survey was conducted in July 2018.

Results and analysis

The questionnaire was completed by 30 respondents whose profile is presented in Table 1. As the survey is aimed at teachers, the profiling has been done on the basis of the criteria of position, length of employment, education, professional qualification, subjects and grades in which the teacher has been teaching.

The majority of respondents occupy the position of "Senior Teacher" (56.7%), which requires them to have at least 10 years of employment as a teacher. One is „Head of Information and Communication Technologies Department“ and the rest are teachers. Among the respondents, there are no "Head Teachers", which is also determined by the fact that in some schools this position has not been created due to financial considerations.

In terms of pedagogical experience, the highest (36.7%) is the share of respondents with teachers' employment in the range of 11-20 years; 26.7 percent have an employment of up to 5 years; over 20 years in the profession have 23.3 percent, and for 10 percent this is their first year as a teacher. This structure indicates that the more intense replacement of retiring teachers with young ones is already under way.

In terms of the educational degree obtained by respondents, the results are slightly surprising as there is one teacher who has only a secondary education, but as stated above in vocational schools this is permissible. Masters prevail (70%), the others have bachelor's degrees; among the respondents there weren't any PhDs.

23 of the 30 respondents answered the question for the professional qualification. Of these, an equal share of 34.8 percent are the teachers who do not have one or have the lowest fifth degree; 13 percent have a fourth degree; 8.7 percent have respectively third and second degree; among the respondents there are no ones with the highest first degree. The latter can be explained by the fact that in recent years a large percentage of teachers who have acquired the highest degrees (first and second) have retired and the acquisition of these degrees is currently associated with a serious financial commitment from the teacher concerned and a longer period of training, including the waiting time between the degrees, which are now five and not two.

Among the respondents (22) of all respondents (30) to question 5, there are predominant teachers of general subjects (63.6%), one teacher also teaches subjects of vocational training. Two respondents teach only in the lower secondary school (VIII – X grade), three only in the upper (XI и XII grade), the other (83.7%) in both of them.

Table 1. Profile of respondents

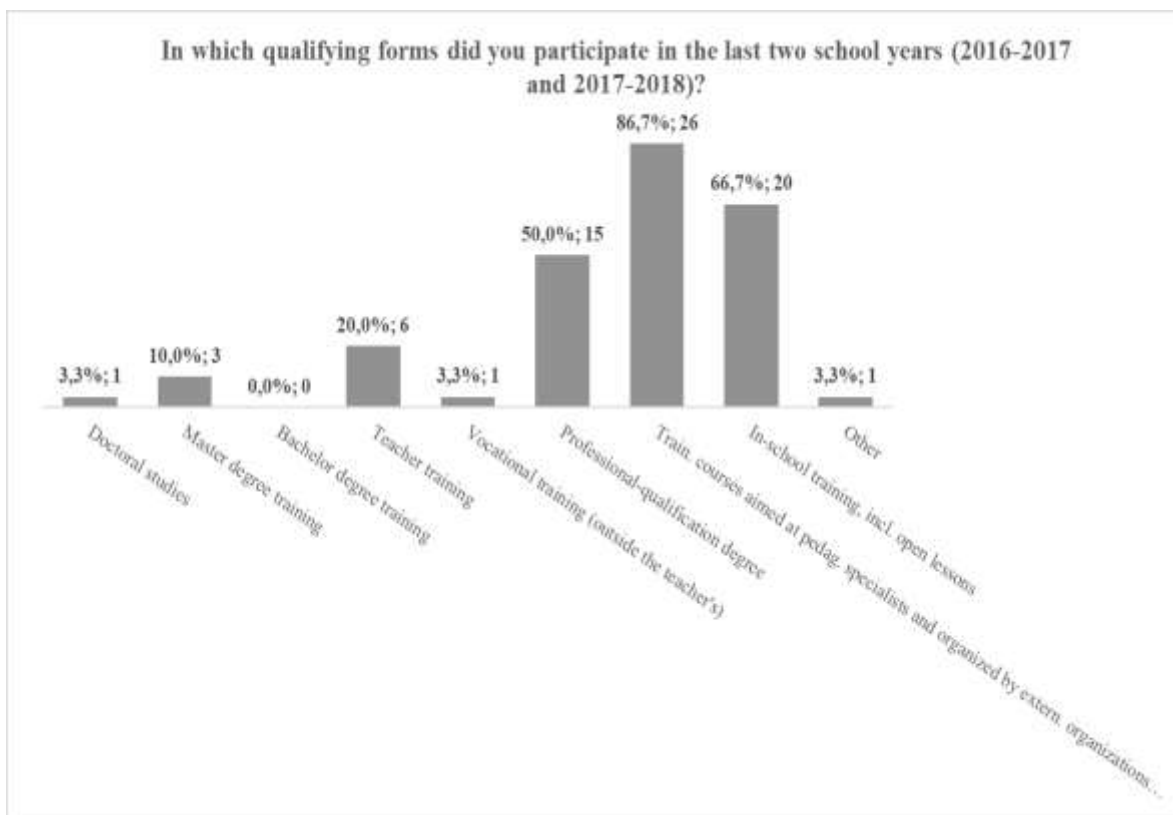
Position at School	Share	Work Experience as a Teacher	Share
Head Teacher	0%	Over 20 years	23,3%
Senior Teacher	56,7%	11-20 years	36,7%
Teacher	40%	6-10 years	3,3%
Other	3,3%	1-5 years	26,7%
		0 years	10%
Education	Share	PQD	Share
Doctor (PhD)	0%	I degree	0%
Master	76,7%	II degree	8,7%
Bachelor	20%	III degree	8,7%
Secondary education	3,3%	IV degree	13%
Other	0%	V degree	34,8%
		No	34,8%
Subjects taught	Share	Grades taught	Share
General subjects	63,6%	Only in lower secondary school (VIII – X grade)	6,7%
Vocational training subjects	31,8%	Only in upper secondary school (XI – XII grade)	10%
Both	4,5%	Both (VIII – XII grade)	83,7%

Source: own study

In order to identify the key points in the development of the human potential of teachers in vocational high schools, a series of questions related to their participation in qualification forms in the last two school years (after the adoption of the new Law on Pre-school and School Education) were set out.

As Figure 1 shows the largest share of respondents (86.7%) participated in training courses aimed at pedagogical specialists and organized by external organizations (outside the PQS); Secondly, 66.7 percent participated in in-school training, incl. open lessons; and in the third place - half of the respondents sought to acquire a professional qualification degree. In addition, 20 percent participated in training to acquire a teacher's qualification; 10 per cent - to obtain a master's degree; and one respondent, respectively, in training for assessment of state matriculation exams (other), for professional qualification outside the teaching one and one in a doctoral program.

Figure 1. Participation in Qualification Forms

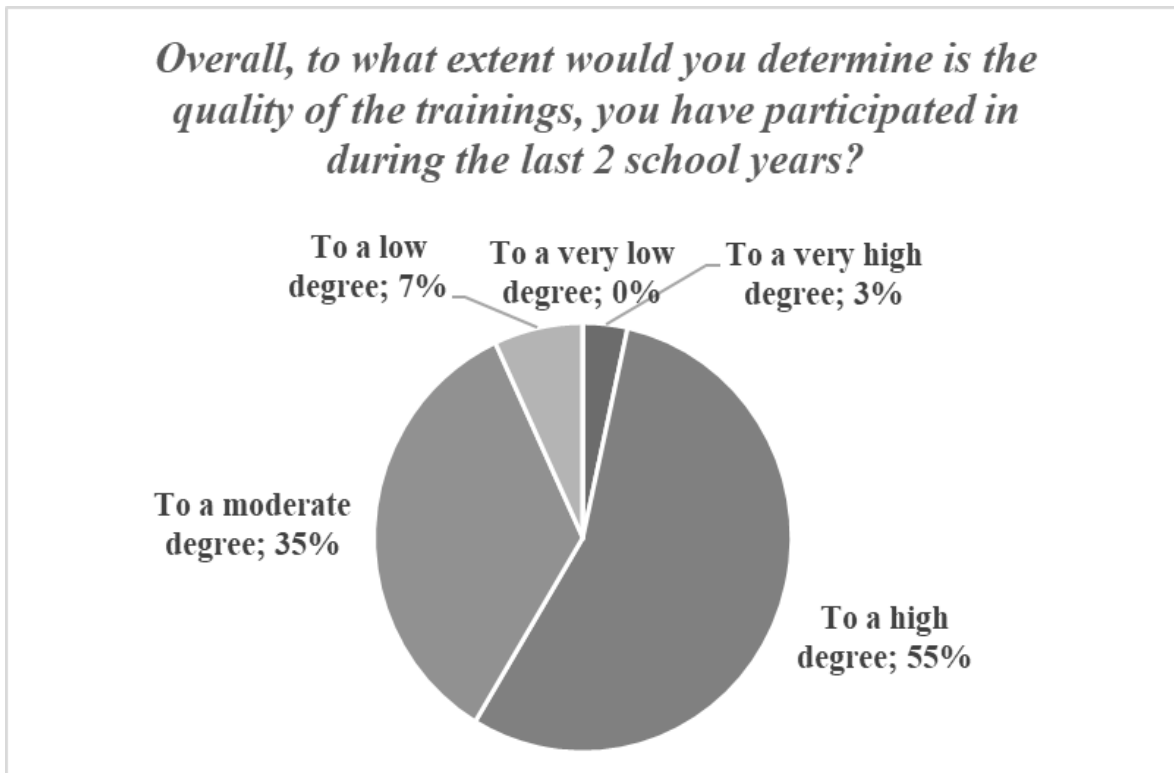


Source: own study

Asked to evaluate the quality of the trainings in which they participated, the respondents gave the following answers as shown in Figure 2, 55 percent of the 29 respondents rated the quality of the training they attended during the last 2 school years

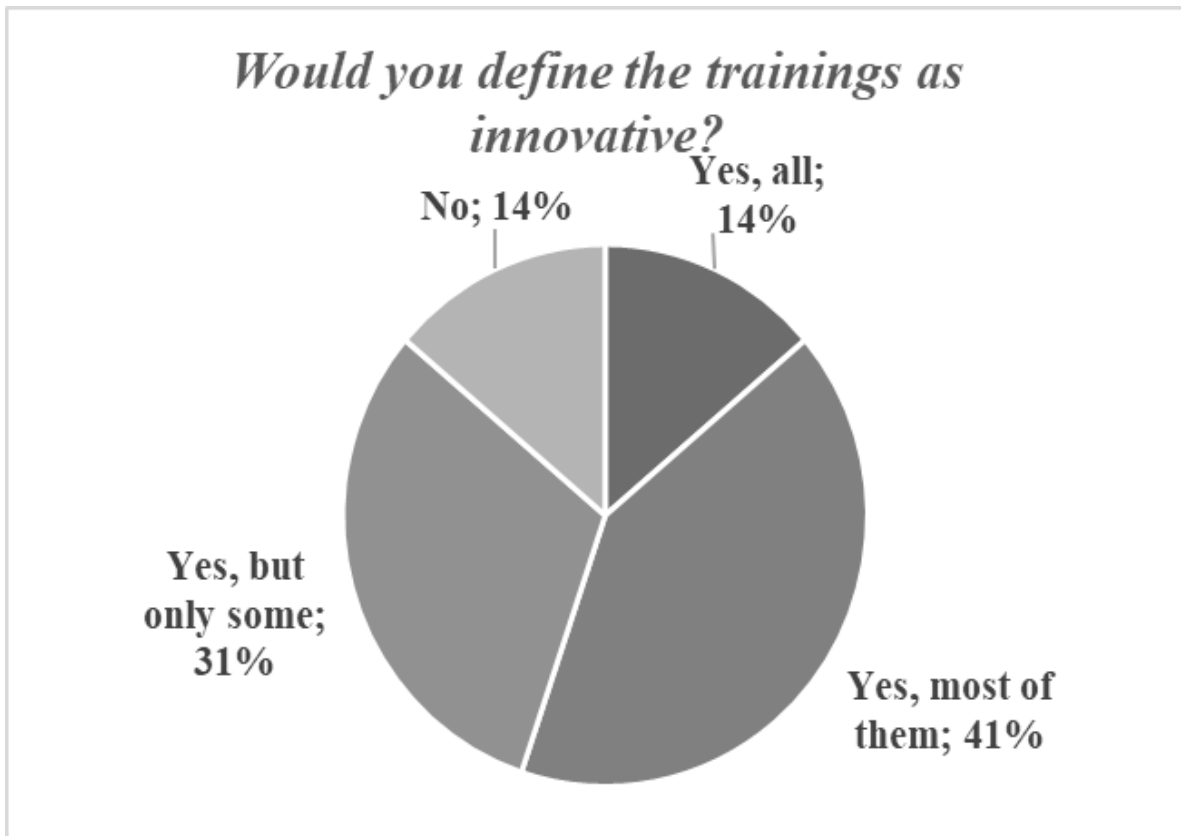
as high, 35 percent as moderate, 7 percent as low, 3 percent as very high; there are no answers from the last descriptor (very low grade). The answers to this question suggest the need that the quality of the trainings should be improved and that the Ministry should implement a more serious control on it..

Figure 2. Evaluation of the Quality of the Trainings



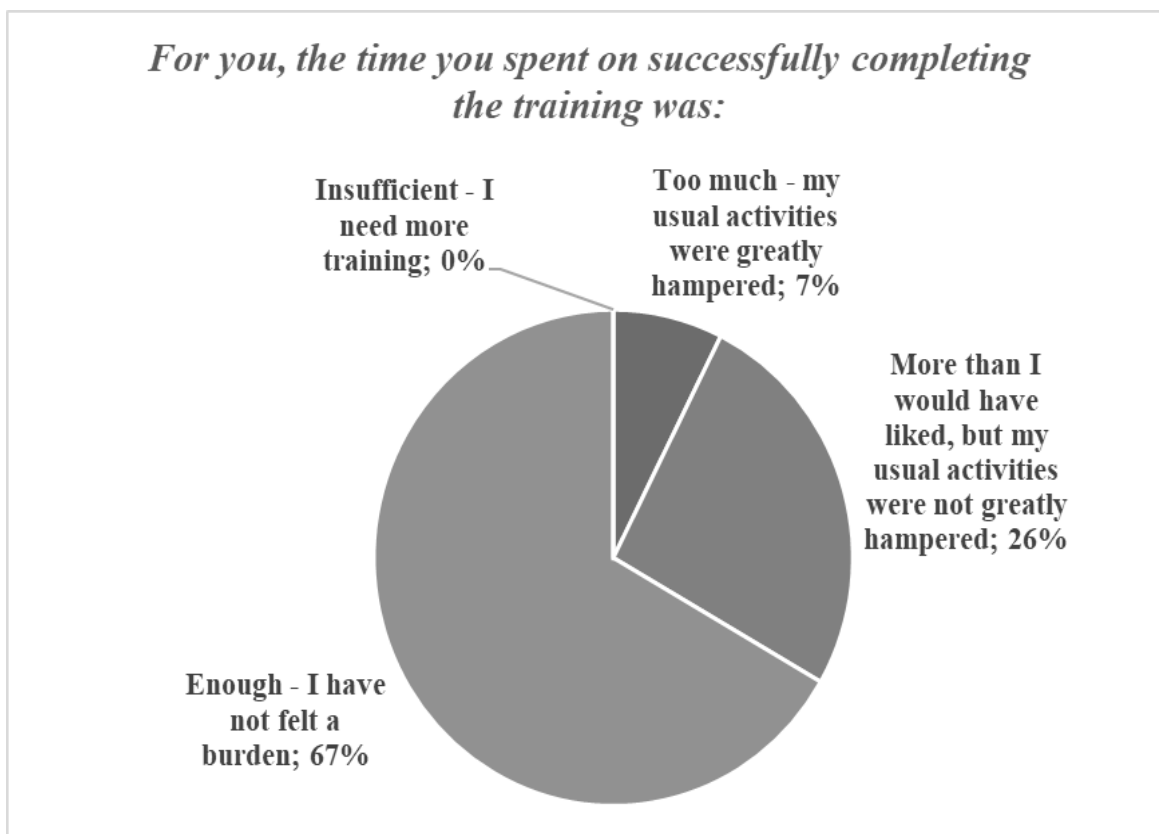
Source: own study

Asked if they would define the training as innovative, 13.8 percent of the 29 respondents affirmed that all the trainings they attended were innovative, 41.4 percent responded positively that most of the trainings they attended were such, 31 percent – that only some were innovative and 13.8 percent gave a negative response (Figure 3). As with the previous question, there is an evident problem as well. Nearly half (45%) of the responders expressed opinions on the two lower descriptors, indicating the need to improve the innovativeness of the trainings.

Figure 3. Evaluation of the Innovativeness of the Received Trainings

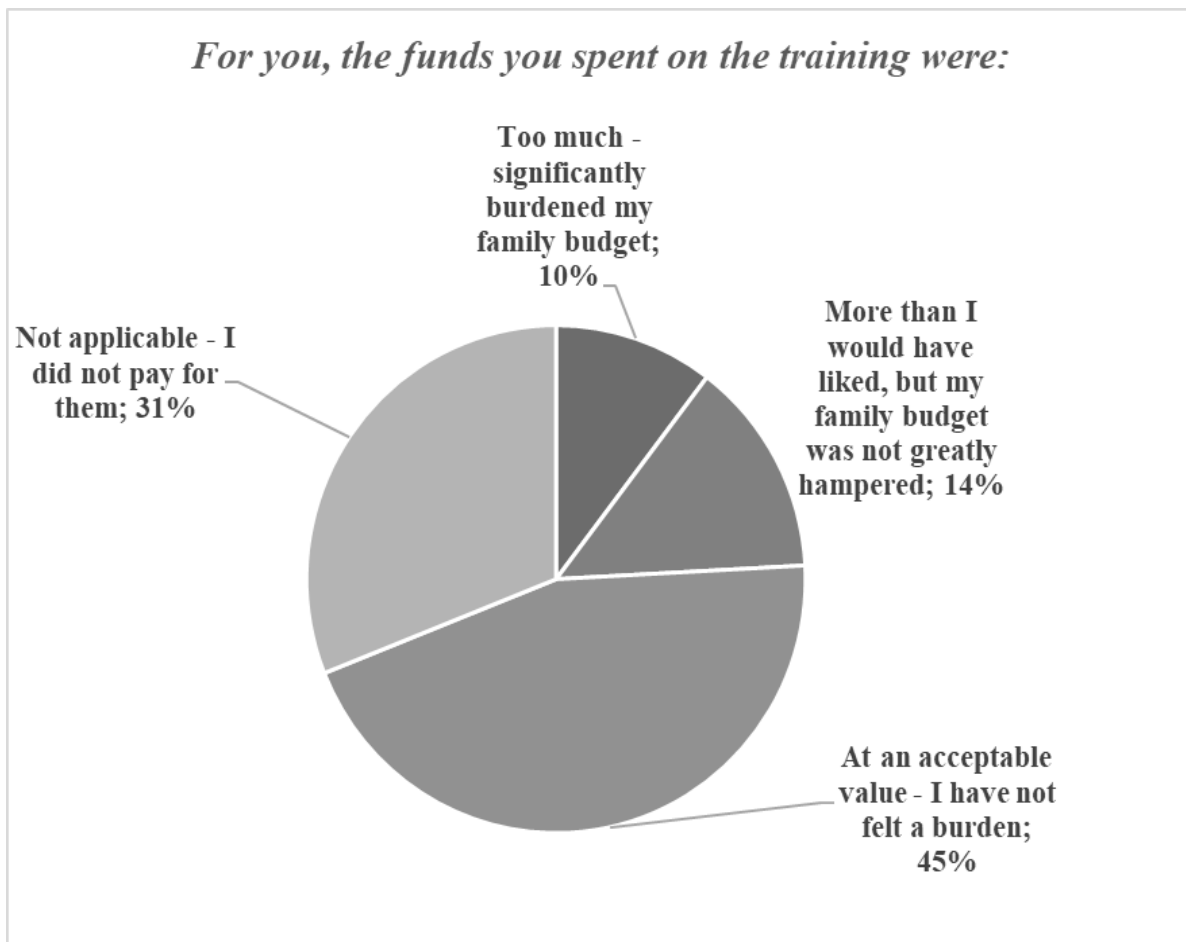
Source: own study

As can be seen on Figure 4, the training time was too long and it hampered significantly the usual activities of 7.4 percent of the respondents. For 25.9 percent of the respondents it was more than desirable, but it didn't cause significant difficulty in their everyday life; for 66.7 percent of the respondents it was enough and they did not feel a burden. There are no respondents who answered that they need more training time. The answers on the first two descriptors suggests a potential problem with the motivation of teachers to continue their qualification in the future. Successful attendance and completion of trainings and application of what was learnt require that the pedagogical specialist is not overloaded in his daily routine, but rather has enough free time, which he, on his own accord, devotes to his own improvement as a professional.

Figure 4. Evaluation of the Time, Devoted to Trainings

Source: own study

Figure 5 shows that the personal funds allocated to the trainings were too much and that they burdened the family budget significantly for 10.3 percent of the 29 respondents. For 13.8 percent, they were more than desired, but didn't put a significant burden on the family budget; for 44.8 percent of the respondents the expenditures were of an acceptable value and no weight was felt; 31 percent did not pay for the trainings they attended with their own funds. A comment can be made in the spirit of the previous question. Excessive financial burden is a disincentive for the continuation of the trainings in the future.

Figure 5. Assessment of Funds Spent on Training

Source: own study

On the question of assessing the extent to which they have been able to implement their newly acquired knowledge and skills as a result of their trainings, the respondents answered as follows: 50% have succeeded in applying them to a high degree, 32.1% to a moderate one, 7.1 percent to a very high degree and just as much - in a low degree, and only 3.6 percent in a very low degree (Figure 6). In this sense, the majority of the trainings can be interpreted as effective.

Figure 6. Assessing the Extent of Application of Newly Acquired Knowledge and Skills

Source: own study

Asked to compare the innovativeness in their classes held before and after the trainings, the respondents answered as follows:

- ✓ 3 people have conducted only trainings, which were not related to their teaching work;
- ✓ Before the trainings, the weighted average value of a scale of 0 to 10, where 10 is the highest degree of innovativeness, is 5.69 (based on the responses of 13 respondents);
- ✓ After the trainings, the weighted average value on a scale of 0 to 10, where 10 is the highest degree of innovativeness, is 6.84 (based on the responses of 19 respondents).

Though not very high, there is still an increase in innovativeness.

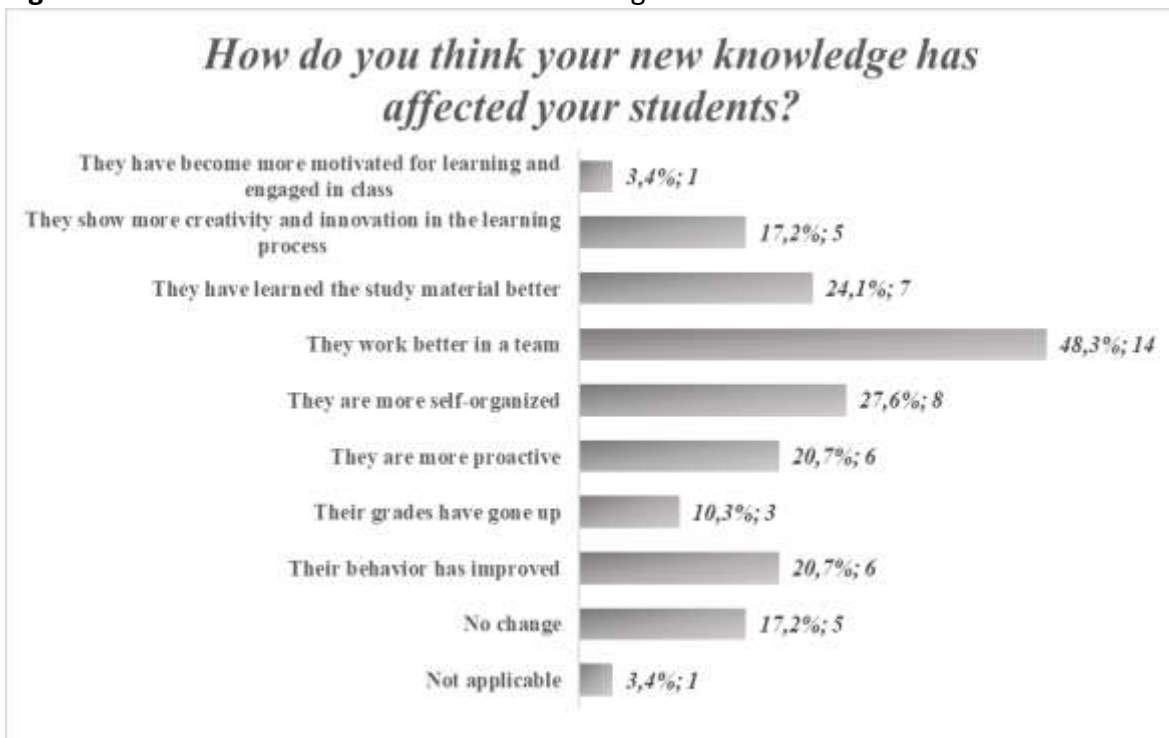
Figure 7 presents teachers' judgment of how they think their new knowledge has affected their students. Nearly half of the 29 respondents (48.3%) consider that afterwards their students work better in a team; 27.6 percent - that they are more self-organized; 24.1 percent - that they have mastered the learning material better; 20.7

percent - that they are more proactive and that their behavior has improved; 17.2 percent believe that there is more creativity and innovation in learning and just as much – that there is no change; 10.3 percent - observe an increase in pupils' grades; 3.4 percent determine their alumni as more motivated and engaged in class. Also, 3.4 percent of respondents said the issue was inapplicable in their case.

The answers to this question indicate several problems:

- ✓ slight increase in pupils' motivation and engagement - it is obvious that the reasons for low motivation should be sought not only in school, but also in the family and in the processes running in society, and accordingly the decisions must also come from these circles; not only from the school circle;
- ✓ Serious deviation between rates of the respondents, who chose the descriptors for better learning and for higher grades - this raises the question of whether teachers are judging their students fairly or just have not filled the questionnaire carefully enough;
- ✓ A comparatively not insignificant percentage responded that there was no change in the pupils - which raises the question of whether the trainings of the teachers were effective and / or that the transference of their experience to the students was not effective.

Figure 7. Assessment of the Effect of the Trainings on Students



Source: own study

Conclusions: This study focuses on the need to develop the potential of teachers working in vocational high schools for innovative activities in the school socio-cultural environment against the background of the requirements of:

- ✓ The Memorandum on Lifelong Learning of the Commission of the European Communities;
- ✓ National Strategy for Lifelong Learning 2014-2020;
- ✓ National Strategy for the Development of Pedagogical Staff 2014-2020;
- ✓ Law on Pre-school and School Education.

As a result of the strategic guidelines at the national level, the legal changes and the activity of the specific schools for the qualification of the pedagogical staff, it is expected that the capacity of the pedagogical specialists to conduct an innovative learning process will be increased. The training of teachers needs to be geared towards effective transference of their knowledge, skills and experience to their students.

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ORGANIZATIONAL CULTURE AND INNOVATIONS IN LYCEUMS

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Assist. Prof. Dr. Blagovesta Koyundhiyska-Davidkova

Manifestation of various forms of innovation is an important factor for economic and social development. The role of innovation for achieving social and economic growth has long been recognized¹⁰⁵. They are one of the main priorities for the European Commission, which defines their importance to the survival and prosperity of the business at this stage as "more than ever"¹⁰⁶. Innovation is an important tool for community centers to deal with the competition for survival, to build competitive advantage and to enhance competitiveness. According to Gaynor an inherent cultural element of the organization should be created by managers in order to communicate to employees the organization's mission to target search unique opportunities, to ensure that these options correspond to the strategic direction of the organization and that they both establish the necessary measurements to evaluate the success of these opportunities and to constantly re-evaluate this possibility in the future to ensure that it remains relevant and useful¹⁰⁷. This means embracing community centers purposeful commitment to develop innovations provided that continuous opportunities exist. In order to achieve this goal contributes good enough knowledge of their organizational culture. Simultaneously, Jones, Knotts and Glaser-Segura pay special attention to the "innovation -organizational culture". Their opinion is that there is a strong connection¹⁰⁸ between the two. Moreover, many researchers, in relation to this issue, believe that there is a significant relationship between organizational culture and innovation in organization¹⁰⁹, according to us there is one in the country and community centers (lyceums) as well. In addition Büschgens, Bausch and Balkin argued that the relationship between organizational culture and the

¹⁰⁵ Alm, CJJ & Jönsson, E. (2014). *Innovation Culture in Five Dimensions*, Chalmers Reproservice, Göteborg, p. 1

¹⁰⁶ SMEs are our priority, Europe is good for SMEs, SMEs benefit Europe, ed. European Commission Enterprise and Industry, 2008, p. 21

¹⁰⁷ Gaynor GH (2002). *Innovation by Design: What it Takes to Keep Your Company on the Cutting Edge*, AMACOM American Management Association, New York, NY

¹⁰⁸ Jones, SC, Knotts, TL, Glaser-Segura, DA (2011). *Measuring innovativeness tendencies in small firms*, Proceedings of ASBE 37th Annual Conference, Savannah, Georgia, pp. 18-25

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generation of innovation is stronger than that between organizational culture and the adoption of innovation¹¹⁰.

However, it is necessary to bear in mind that organizational culture is an especially significant factor for increasing competitiveness as people's participation in the creation and delivery of the product is its main feature. Containing values, ideas, norms and rules that are leading for employees of the company and that define the style, attitudes and communication between the staff and the customers, the activity of employees, it affects the efficiency of the community centers. Moreover, we believe that culture in community centers is governed by values and beliefs. Also, culture can influence the willingness and ability of employees to accept innovation as a core value of the organization¹¹¹. Obviously, it is an important leverage to influence staff.

In the scientific literature organizational culture is seen as the heart of an innovative organization¹¹² and a strong driver of innovation¹¹³. Something more, innovative organizational culture rightly determined by Kenny and Reedykato as one in which continuous improvement throughout the organization is the norm¹¹⁴. At the same time they add that innovation stems not only from a small number of employees performing a specific task (such as research and development), but that it is a philosophy that is integrated throughout the organization and is present among all employees¹¹⁵.

In turn Dobni believes that a culture that supports innovation (i.e. pro-innovation culture) induces trust and respect towards employees; it teaches the value of teamwork and is characterized by searching process and quick decision making¹¹⁶. Moreover, an important emphasis put by Ahmed is that culture is a major determinant of the level of

¹¹⁰ Büschgens, T., Bausch, A., Balkin, DB (2013) .OrganizationalCultureandInnovation: A Meta-AnalyticReview, *JournalofProductInnovationManagement*, 30 (4), pp. 763-781

¹¹¹ Hartmann, A. (2006). Theroleoforganizationalcultureinmotivatinginnovativebehaviorinconstructionfirms, *Construction Innovation*, 6 (3), r.163

¹¹² Tushman, ML & O'Reilly, CA (1997). *WinningThroughInnovation: A PracticalGuidetoLeadingOrganizationalChangeandRenewal*, HarvardBusinessSchoolPress, Boston, MA; Dobni, CB (2008). Measuringinnovationcultureinorganizations: Thedevelopmentof a generalizedinnovationcultureconstructusingexploratoryfactoranalysis, *EuropeanJournalofInnovationManagement*, 11 (4), p. 544

¹¹³ Tellis, GJ, Jaideep, CP, Chandy, RK (2008). WhatDrivesInnovationFirmsAcrossNations? A CultureofInnovation, *JournalofMarketing*; Aasland, K., Hatling, M. (2010). Innovation: a questionofdevelopingandcultivating a culture?, *Proceedingsofthe 5th EuropeanConferenceonInnovationandEntrepreneurship*, pp. 739

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¹¹⁶ Dobni, CB, (2008). Measuring innovation culture in organizations: The development of a generalized innovation culture construct using exploratory factor analysis, *European Journal of Innovation Management*, 11 (4), p. 544

innovation of any organization¹¹⁷. Poskiene's views are similar - strong and deeply rooted organizational culture is a key factor enabling sustainable innovation¹¹⁸. Muffato's opinions are inclined in the same way. The author argues that namely organizational culture is a determinant of the ability of the successful implementation of innovations by organizations and therefore it is appropriate for them to focus on organizing or changing their organizational culture to one that will help to ensure continuity of innovation¹¹⁹. The position of Losane is that organizational culture helps to stimulate innovative behavior in the organization and the adoption of innovation as a value¹²⁰.

Obviously, the organizational culture of the organization, particularly at community centers, promotes sustainable innovative development. It plays an important role in stimulating or obstructing organizational innovation, as well as it is a source for strategic positioning. In this regard, some authors argue that the importance of organizational culture becomes so great that it becomes almost equal in status as the one of the strategy, structure and control¹²¹.

It appears that one of the most important issues related to the effective functioning of community centers is the one for organizational culture and innovation.

In this context, it is particularly important to clarify the nature of organizational culture in terms of innovation. In this aspect, Losane considers innovation culture as a kind of organizational culture¹²². According to Roffeei, Yusop and Kamarulzaman innovational culture as a concept is undoubtedly part of the organizational culture¹²³.

With regards to the nature of the innovation culture in the organization it is necessary to bear in mind that there are different views. Jucevičius is a supporter of this thesis with his statement which states that there had not yet been established a universal definition of innovation culture¹²⁴. For example, some authors include the innovation

¹¹⁷ Ahmed, P. (1998). Culture and Climate for Innovation, *European Journal of Innovation Management*, vol. 1, №1, pp. 30-43

¹¹⁸ Poskiene, A. (2006). Organizational Culture and Innovations, *Engineering Economics*, vol. 46, № 1, pp.45-50

¹¹⁹ Muffato, M. (1998). Corporate and Individual Competencies: How do they Match the Innovation Process ?, *International Journal of Technology Management*, vol.15, pp. 836-853

¹²⁰ Losane, L. (2013). Innovation Culture - Determinant of Firms' Sustainability, *International Journal of Economics and Management Engineering*, vol.7, №10, p. 2755

¹²¹ Hofstede, G. (1991). *Cultures and Organisations: Software of the Mind*, McGraw-Hill, London

¹²² Losane, L. (2013). Innovation Culture - Determinant of Firms' Sustainability, *International Journal of Economics and Management Engineering*, vol.7, №10, p. 2755

¹²³ Roffeei, SHM, Yusop, FD, Kamarulzaman, Y. (2018). Determinants of Innovation Culture amongst Higher Education Students, *TOJET: The Turkish Online Journal of Educational Technology*, volume 17, issue 1, p. 37

¹²⁴ Jucevičius, G. (2007). Innovation culture: The contestable universality of the concept. *Social Sciences*, 58(4), pp. 7-19

culture of the organization as a multidimensional structure¹²⁵. Dobni gives a more complete and accurate understanding of the innovation culture of the organization, describing it as a multilateral context, including the intention to create innovation, infrastructure to support innovation, conduct at an operational level, which should affect the market and the value orientation and the environment for the realization of innovation¹²⁶.

Losane has a special understanding of innovation culture. She believes that innovation culture is the organization's ability to identify, deploy and develop new products; it is also regular processes to become casual for the organizations¹²⁷. Some authors, in their definitions for innovation culture, point to the fact that it is a critical prerequisite for the successful management of ideas¹²⁸ and leads to continuous improvement of business processes¹²⁹. When it comes to content, Hurley and Hult considered innovation culture as the intention of innovation, the extent to which employees are oriented towards learning new ways of doing things and thus influence the orientation towards finding new ideas and their implementation¹³⁰. However, these authors define innovation culture as the primary means by which the organization develops its ability to adapt to the competitive environment¹³¹. Nevertheless, Deshpande, Farley and Webster made important conclusions that the innovation culture creates entrepreneurial spirit and helps to unite the members of the organization with innovative behavior, which leads to increased performance and flexibility, and openness

¹²⁵ Wang, CL, Ahmed, PK (2004). The development and validation of the organizational innovativeness construct using confirmatory factor analysis. *Eur. J. Innov. Management*, 7 (4), pp. 303-313; Ahmed, PK (1998). Culture and climate for innovation. *Eur. J. Innov. Management*, 1 (1), pp. 30-43; Tang, HK (1999). An inventory of organizational innovativeness. *Technovation*, 19, pp.41-51; Martins, EC (2003). Terblanche, F. Building organizational culture that stimulates creativity and innovation. *Eur. J. Innov. Management*, 6 (1), pp. 64-74

¹²⁶ Dobni, CB, (2008). Measuring innovation culture in organizations: The development of a generalized innovation culture construct using exploratory factor analysis, *European Journal of Innovation Management*, 11 (4), p. 540

¹²⁷ Losane, L. (2013). Innovation Culture - Determinant of Firms' Sustainability, *International Journal of Economics and Management Engineering*, vol. 7, №10, p. 2755

¹²⁸ Kliewe, T., Davey, T., Baaken, T. (2013). Creating a sustainable innovation environment within large enterprises: A case study on a professional services firm, *Journal of Innovation Management*, Volume 1, Number 1, pp. 55-84

¹²⁹ Coughlan, P., Coughlan, D., Dromgoole, T., Duff, D., et al. (2002). Effecting operational improvement through inter-organisational action learning, *Integrated Manufacturing Systems*, Volume 13, Number 3, pp. 131-140

¹³⁰ Hurley, RF, Hult, GM (2008). Innovation, market orientation and organizational learning: an integration and empirical examination. *Journal of Marketing*, 62, pp. 42-54

¹³¹ Hurley, RF, Hult, GM (2008). Innovation, market orientation and organizational learning: an integration and empirical examination. *Journal of Marketing*, 62, pp. 42-54

to the unknown¹³². Thus, according to Narver, Slater and MacLachlan it not only promotes the growing improvements and makes the organization more accountable to existing market needs, but it also supports the organization's efforts to overtake its competitors and to satisfy needs that not even customers are aware of.¹³³ This means looking for new ways to implement organizational innovation, which will provide a competitive advantage to the organization. Moreover, according to Deshpande, Farley and Websterinovatsionnata culture encourages open communication and allows decentralized decision-making¹³⁴.

Chandler, Keller and Lyon's interpretation, which deserves special attention, explains that innovation culture is one where employees perceive that on the one hand the workload is not excessive, on the other hand that the support of the management and remuneration of the organization correspond to the commitment to innovation¹³⁵. We believe this statement to be true, but at the same time we believe that the importance of innovation culture is defined by shared values, beliefs and behaviors that affect the realization of organizational innovation.

Lažnjak's¹³⁶ view on the nature of the innovation culture. The author believes that the innovation culture in the organization must be examined at two levels - organizational and individual ones because of their characteristics. She includes in the innovation culture at the organizational level both formal organization (a set of explicit rules and regulations) and organizational climate and organizational culture (informal groups, attitudes, values, etc.). At an individual level experience, broad interests, attraction to complexity, high energy, independence of judgment, intuition, self-confidence, ability to adapt opposites solid sense of self as a creative, curiosity and intellectual honesty are determined as innovations.

The opinion of Capon, Farley, and Lehmann Hulbert who define creativity, openness and receptivity to new ideas, risk taking and entrepreneurial attitudes as key aspects of the innovation culture of the organization¹³⁷ can be added to the above. In this

¹³² Deshpande, R., Farley, JU, Webster, FE (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms, *Journal of Marketing*, Volume 57, Number 1, pp. 23-27

¹³³ Narver, JC, Slater, SF (1990). The effect of a market orientation on business profitability, *Journal of Marketing*, Volume 54, Number 4, pp. 20-35

¹³⁴ Deshpande, R., Farley, JU, Webster, FE (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms, *Journal of Marketing*, Volume 57, Number 1, pp. 23-27

¹³⁵ Chandler, GN, Keller, C., Lyon, DW (2000). Unraveling the determinants and consequences of an innovation-supportive organizational culture. *Entrepreneurship Theory and Practice*, PP. 59-76

¹³⁶ Lažnjak, J. (2011). Dimension of national innovation culture in Croatia Content Validity of Hofstede's Dimensions, *Druš. Istraž. Zagreb*, god. 20, br. 4 (114), p. 1019, doi: 10.5559 / di.20.4.05

¹³⁷ Capon, N., Farley, JU, Lehmann, DR, Hulbert, JM (1992). Profiles of product innovators among large United States manufacturers, *Management Science*, Volume 38, Number 2, pp. 157-169

respect Dobni reveals that employees in organizations with a strong innovation culture that values the contributions of their colleagues consider themselves creative and innovative, and uncertainty is seen as an opportunity, not as a risk¹³⁸. At the same time he adds to the the concept of innovation culture, describing these as key capabilities: market research, connection with customers, competitive monitoring, customer service, technological developments, development of new products / services, organizational communication¹³⁹. It is obvious that the possession of these key abilities and knowledge of key aspects of the innovation culture is a prerequisite for creating favorable organizational climate and on this basis for long-term prosperity of the community centers.

The study of literature, as evident, makes it possible to conclude that there is a multi-levelled position when it comes to the views about the nature of innovation culture that allows us to distinguish these aspects of its characteristics:

- √ it is a multidimensional structure;
- √ it enables the creation of new products and management ideas;
- √ it is a system of shared values, beliefs and behavior;
- √ it is a way to adapt to the competitive environment;
- √ it is a tool that allows decentralized decision making.

In our culture of innovation community centers can be seen as a combination of the availability of innovative behavior of management and employees and their ability to develop organizational-innovations. They are an important means of ensuring competitive advantages and adapting to environmental changes.

Knowledge of the factors affecting the organization is important for achieving a good balance of innovation culture. Meanwhile a review of the literature on the topic reveals that the factors that influence innovation culture are not clearly defined. For example, vision, organizational structure, support mechanisms and promoters of innovation are defined as essential by Tuan and Venkatesh¹⁴⁰. The opinion of Martins and Terblanche is similar. According to them, these factors are strategy, structure, support mechanisms behavior that supports innovation and communications¹⁴¹. In our opinion it is necessary to pay sufficient attention to these factors as they influence the decisión for

¹³⁸ Dobni, CB, (2008). Measuring innovation culture in organizations: The development of a generalized innovation culture construct using exploratory factor analysis, *European Journal of Innovation Management*, 11 (4)

¹³⁹ Ibid, 2008

¹⁴⁰ Tuan, LT, Venkatesh, S. (2010). Organisational Culture and Technological Innovation Adoption in Private Hospitals, *International Business Research*, 3 (3), pp. 144-153

¹⁴¹ Martins, EC, Terblanche, F. (2003). Building organisation alculture that stimulate s creativity and innovation, *European Journal of Innovation Management*, 6 (1), pp. 64-74

the realization of ideas and of innovation in the organization and on this basis, they contribute to sustainable long-term presence of a market organization.

Nevertheless, other authors cited as innovation readiness, creativity and entrepreneurship, organizational training, market orientation, motivation and relationships¹⁴² the most important factors for innovation culture. Sharifirad and Ataei¹⁴³ have the same reasoning. The authors point out that the factors influencing the innovation culture are innovation, organizational support, organizational learning, creativity and empowerment, market orientation, value orientation and context of implementation.

According to Saunila and Ukko determinants of innovation culture of the organization are: leadership practices, skills of employees / innovation processes / tools for managing ideas, support of culture, external sources of information, development of individual knowledge, well-being of employees and relationship with strategic goals¹⁴⁴.

Unlike the above mentioned authors, O'Cass and Ngo also add to these factors encouraging creativity, embracing new ideas, decentralized decision-making and encouragement¹⁴⁵ of open communication¹⁴⁵.

However, some authors cited innovation behavior of the organization¹⁴⁶ as the most important factor for innovation culture. Others, due to the nature of relations in the organization, believe that this factor is notably effective communications¹⁴⁷. According to another authors the main factor standing behind innovation culture is self-efficacy¹⁴⁸.

¹⁴² Alm, C.J., Jönsson, E. (2014). *Innovation Culture in Five Dimensions*, Chalmers University of Technology, Göteborg, p. 26

¹⁴³ Sharifirad, M.S., Ataei, V. (2012). *Organizational culture and innovation culture: exploring the relationships between constructs*. *Leadership & Organization Development Journal*, 33(5), pp. 494-517, <http://dx.doi.org/10.1108/01437731211241274>

¹⁴⁴ Saunila, M., Ukko, J. (2013). *Facilitating innovation capability through performance measurement: A study of Finnish SMEs*. *Management Research Review*, 36(10), pp. 991-101, <http://dx.doi.org/10.1108/MRR-11-2011-0252>

¹⁴⁵ O'Cass, A., Ngo, L.V. (2007). *Market orientation versus innovative culture: two routes to superior brand performance*. *European Journal of Marketing*, 41(7/8), pp. 868-887, <http://dx.doi.org/10.1108/03090560710752438>

¹⁴⁶ Calantone, R.J., Cavusgil, S.T., Zhao, Y.S. (2002). *Learning orientation, firm innovation capability, and firm performance*. *Industrial Marketing Management*, 31, pp. 515-524; Dawson, S., Tan, J.P.L., McWilliam, E. (2011). *Measuring creative potential: Using social network analysis to monitor a learners' creative capacity*. *Australasian Journal of Educational Technology*, 27(6), pp. 924-942; Denison, D.R., Haaland, S., Goelzer, P. (2003). *Corporate culture and organizational effectiveness: Is there a similar pattern around the world?* In J. Osland (Ed.), *Advancing global leadership*, (vol. 3, pp. 205-227), Boston, MA: Elsevier Science

¹⁴⁷ Dobni, B.D. (2008). *Measuring innovation culture in organizations: The development of a generalized innovation culture construct using exploratory factor analysis*. *European Journal of Innovation Manage*

Obviously, each of the considered factors has its place for a full analysis of the innovation culture. Moreover, all of these factors in their complex and commitment contribute to achieving competitive advantage. Their knowledge of the management of community centers and disclosure of the extent of their influence is essential to take appropriate and vigorous action to achieve a balanced innovation culture.

Moreover, in terms of market orientation of the organization Hurley and Hult claim that the innovation culture is influenced by its presence or absence¹⁴⁹. In addition, the authors stress that it is a source of new ideas and motivation for responding to the environment.

At the same time analysis of the literature in terms of organizational learning shows that learning is an essential part of innovation culture. In this regard Calantone, Cavusgil and Zhao set the orientation towards learning as "the activity of the entire organization to create and use knowledge to enhance competitive advantage"¹⁵⁰. It is necessary to take into account the factors that influence organizational learning. Such factors, as according to Dobni, are the inclusion of the organization in learning; management support for training; learning associated with the strategy; expectations for development; time and learning opportunities¹⁵¹.

When dealing with the issue it is necessary to consider the established relationships within the organization. Reason for this being that good relations in the workplace, in particular working conditions in teams and cooperation and communication between different functional and departments might seem an essential condition for it to

ment, 11(4), pp. 539-559; Yahyagil, MY (2004).

The interdependence between the concepts of organizational culture and organizational climate:

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¹⁴⁸ Chell, E., Athayde, R. (2009).

The identification and measurement of innovative characteristics of young people:

Development of the youth innovation skills measurement tool. United Kingdom, UK: National Endowment for Science, Technology and the Arts (NESTA); Dawson, S., Tan, JPL, McWilliam, E. (2011).

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¹⁴⁹ Hurley, RF, Hult, GTM (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Journal of Marketing*, 62 (3), pp. 42-54

¹⁵⁰ Calantone, RJ, Cavusgil, ST, Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management*, 31 (6), p. 516

¹⁵¹ Dobni, CB, (2008). Measuring innovation culture in organizations: The development of a generalized innovation culture construct using exploratory factor analysis, *European Journal of Innovation Management*, 11 (4)

be productive and innovative¹⁵². Moreover, knowledge of the factors that have a significant impact on relationships and motivation contribute to the formation of a correct view on innovation culture in the organization. In this respect as determinants of relationships and motivation some authors propose participation in decision-making processes, goal setting and self-determination¹⁵³.

Literary study shows significant interest from various authors to clarify the nature of organizational innovation, the link between innovation and culture and factors influencing innovation culture. It is dictated by the crucial role of organizational innovation for sustainable development of organizations such as community centers. Regardless of how it is seen, the fact that innovation culture is the most important condition is undeniable and without it one can not ensure the achievement of competitive advantages and strategic positioning.

Research on the organizational culture and innovation in community centers in Blagoevgrad

Methodology of the study

In order to establish organizational culture and innovation 68 representatives of community centers in Blagoevgrad by the method of the responding ones are interviewed. The main reason for choosing this method is its adequacy in terms of the specifics of both study subjects and data to be received. The method is suitable in terms of field work with the respondents, as it allows for direct access to respondents through personal and group meetings. The survey was conducted in July-August 2018.

For the processin of the information received were used the following statistical methods: method of observation, method of the group, method of analysis, tabular method, graphic method, calculation of relative values.

Results of the survey on organizational culture and innovation in community centers

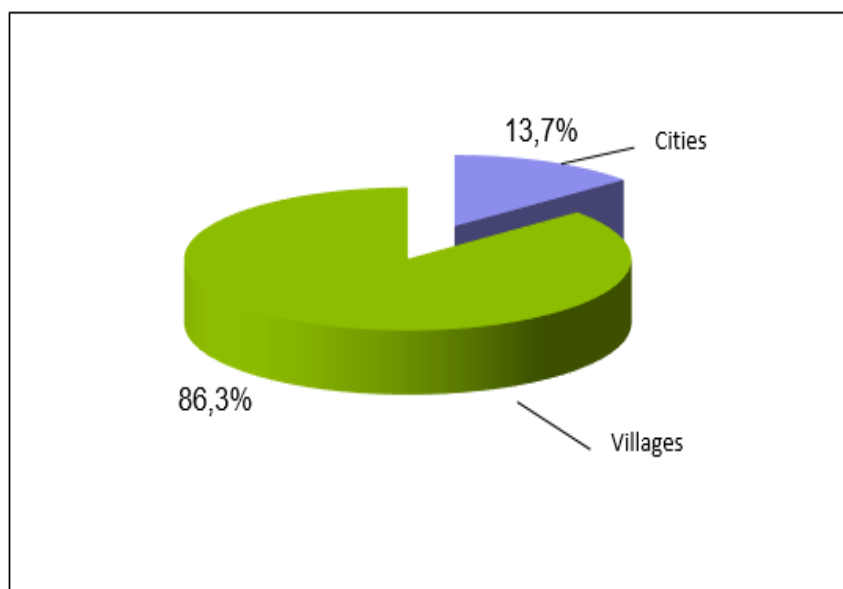
In connection with a full and accurate disclosure of the problem, we believe that it is necessary to outline the profile of the community centers in Blagoevgrad.

¹⁵² Alm, CJJ, Jönsson, E. (2014). Innovation Culture in Five Dimensions, Chalmers University of Technology, Göteborg, p. 67

¹⁵³ Hurley, RF, Hult, GTM (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Journal of Marketing*, 62 (3), pp. 42-54; Erez, M., Gopher, D., Arzi, N. (1990). EffectsofGoalDifficulty, Self-SetGoals, andMonetaryRewardsonDualTaskPerformance. *Organizationalbehaviorandhumandecisionprocesses*, 47 (2), pp. 247-269;Deci, EL, Connell, JP, Ryan, RM (1989). Self-determinationin a workorganization.*Journalofappliedpsychology*, 74(4), p. 580

The survey results show that regarding the location of the organizations surveyed 13.7% are on the territory of cities and the predominant share of them (86.3%) are in rural areas (Fig. 1).

Figure 1. Distribution of community centers by location



Source: own survey

The analysis of the results obtained, presented in Table. 1 indicates unevenness in the disposition of community centers in municipalities according to their distribution in towns and villages.

The distribution of community centers in cities shows that in relative terms the greatest value for the municipalities of Bansko (40.0%) Razlog (27.3%), Kresna (25.0%) and Yakorouda (25.0%) . It is noteworthy that in the municipality of Garmen, Satovcha and Strumiani libraries, performing community center activities are missing. In territorial section the highest proportion of community centers in rural areas are from the municipalities of Garmen (100,0%), Satovcha (100,0%) and Strumiani (100,0%). It is generally found that there is a high proportion of community centers in the villages of all municipalities in Blagoevgrad.

Table 1. Distribution of community centers by territory in Blagoevgrad -%

Municipality	city	village
Bansko	40.0	60.0
Belica	20.0	80.0
Blagoevgrad	16.7	83.3

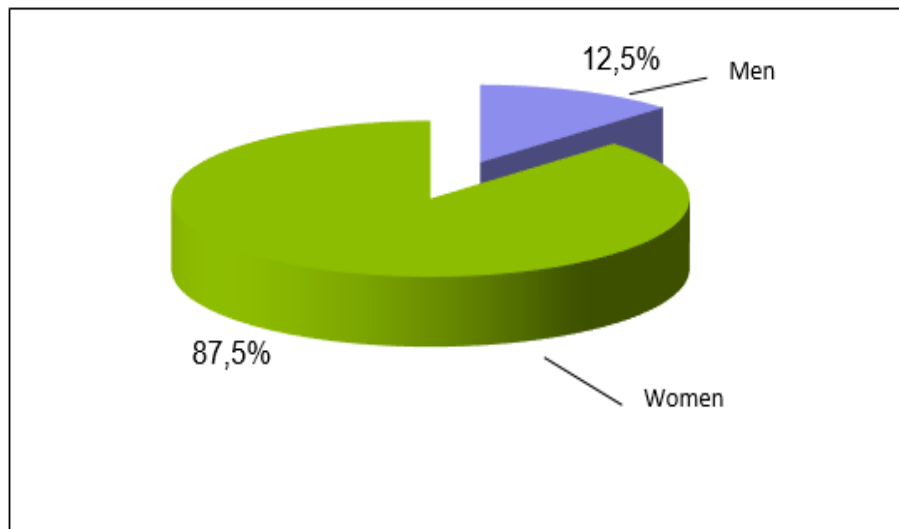
Gotse Delchev	12.5	87.5
Garmen	0	100.0
Kresna	25.0	75.0
Petrich	14.8	85.2
Razlog	27.3	72.7
Sandanski	9.5	90.5
Satovcha	0	100.0
Simitli	11.1	88.9
Strumiani	0	100.0
Hadjidimovo	8.3	91.7
Yakorouda	25	75.0

Source: own survey

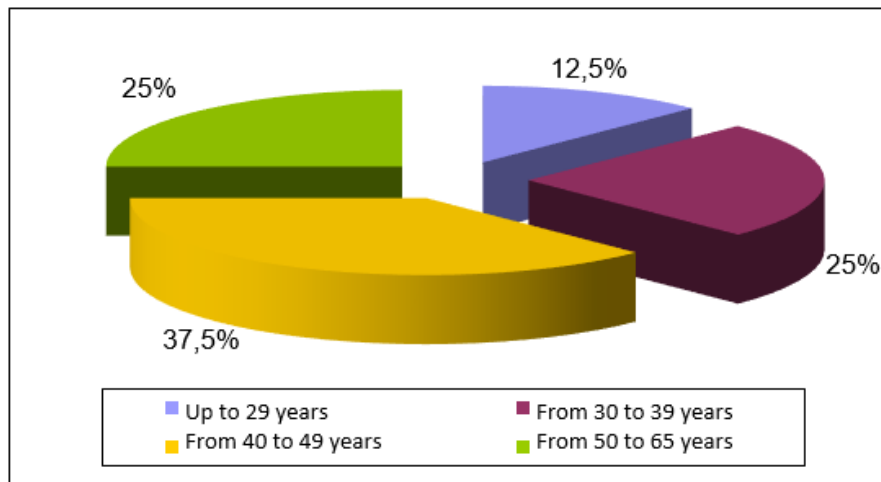
Objective assessment, however, required for a characteristic of the respondents to be made. The data in Fig. 2 shows that the predominant proportion is the one of women (87.5%).

As regards to the age structure of respondents we found that the largest proportion of respondents (37,5%) aged 40 to 49 years. It is noteworthy that a significant share of respondents fall into the age groups - 30 to 39 years and from 50 to 65 years. A relatively low proportion of persons aged 29 years.

Figure 2. Distribution of respondents by sex -%

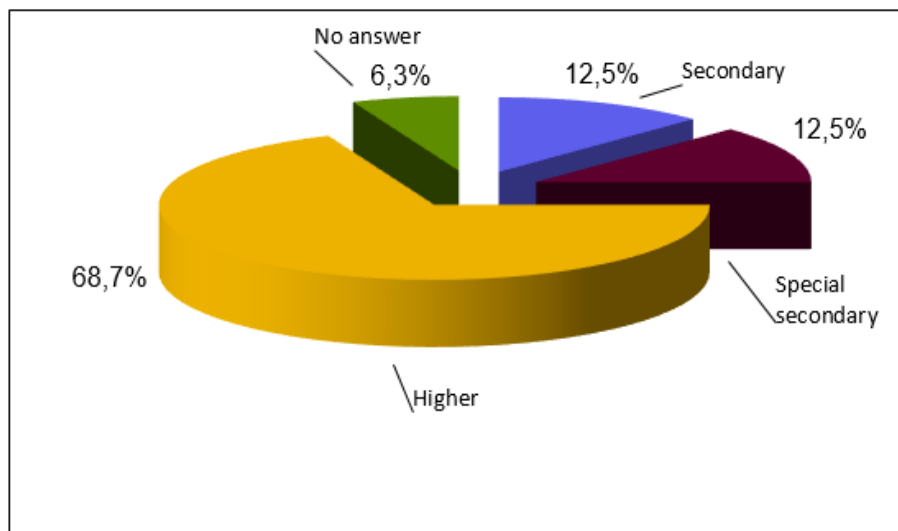


Source: own survey

Figure 3.Distribution of respondents by age -%

Source: own survey

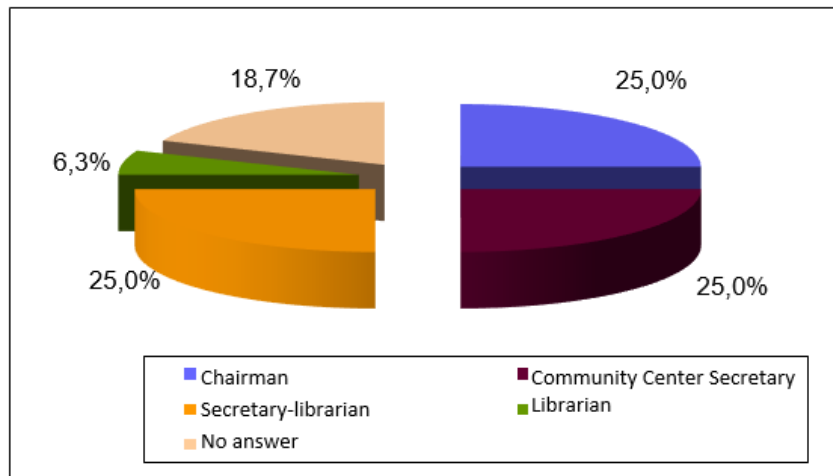
The characteristic of the respondents is supplemented by information on their degrees. A major part of them have higher education (Fig. 4). It is noted that there are no respondents with primary education. A relatively low proportion of respondents acquired secondary and secondary special education.

Figure 4.Distribution of respondents education -%

Source: own survey

The respondents' job positions are also of interest. It is generally seen that these are mainly working as chairmans, cultural secretaries and secretary-librarians.

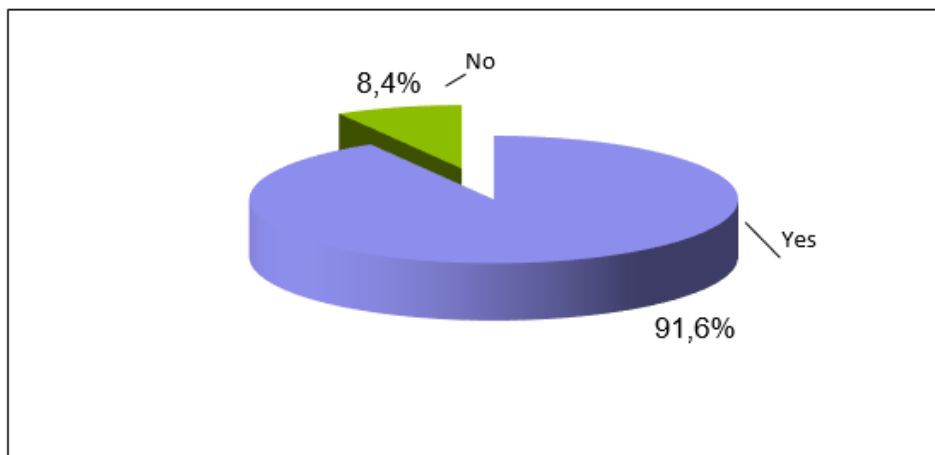
Figure 5. Share of respondents Occupation -%



Source: own survey

As already mentioned above, better understanding of the specifics of organizational culture and innovation ensures long-term and effective development of community centers. In this context, an important aspect is the opinion of respondents on the presence and importance of the relationship between organizational culture and innovation in community centers. The survey results revealed that nearly all respondents (91.6%) believe that there is a strong link between organizational culture and the pursuit of innovation.

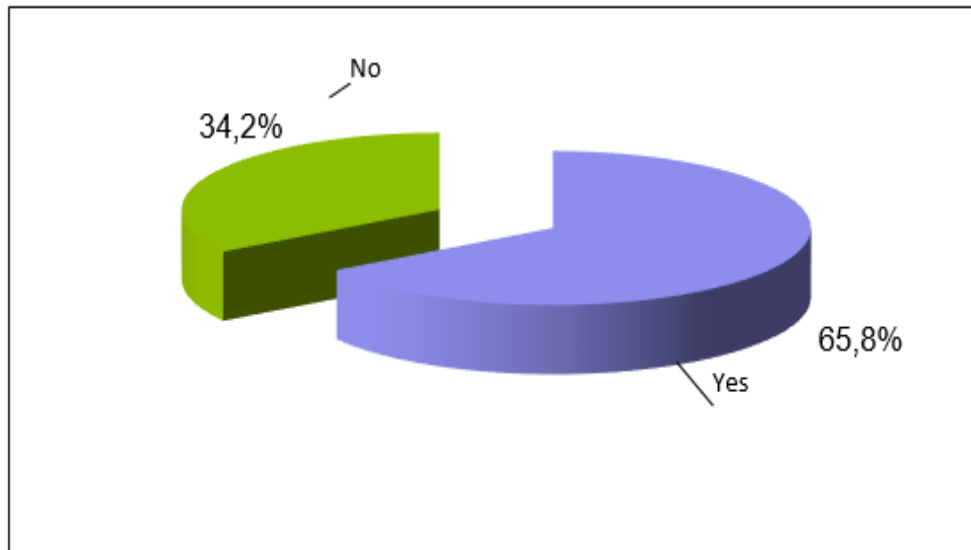
Figure 6. Distribution of respondents for and against a link between organizational culture and innovation



Source: own survey

Considering that the presence of competence is an important prerequisite for the creation of a strong innovative organizational culture it is found that a relatively large proportion of respondents (65.8%) confirmed the presence of these (Fig. 7).

Figure 7. Distribution of the surveyed for the presence of competence



Source: own survey

One of the important aspects for an effective community center activity is organizational learning. In this respect, the survey results reveal that conditions for the organization of learning; management support for training and learning associated with the strategy and the development of personal skills have been created in not a very small part of the community centers (41.3%).

At the same time the results of the survey show that 72.8% are classified as flexible, creative personalities and adaptable to changes in the environment. This in turn suggests that they are able to implement creative thinking and application of innovative manner to their duties in community centers. However, no small share of respondents (38.9%) say they are willing to take any risk solutions.

The establishment of the established practice of decision-making in community centers is important. In this respect it is noted that a significant portion of the surveyed organizations (69.4%) has adopted the approach of decentralizing decision-making and, in particular, participation in decision-making at various levels and setting goals. This shows on the one hand it is enabling employees to contribute with innovative ideas and solutions and on the other - an existing trust management to employees and presence of close ties.

Further analysis of the study results showed that 85.6% evaluated organizational structure as effective. At the same time it is noted that effective ways to support and stimulate innovation in community centers are applied.

In order to achieve a balanced organizational innovation culture in community centers 85.2% of respondents consider taking action to continuous improvement; promoting effective communication and stimulating innovative behavior as important factors. In turn, 78.9% of respondents assessed their degree of market orientation and the level of expression of creativity and motivation as high. It is noteworthy that a very small percentage of respondents (4.3%) identified the rate of innovation readiness as low.

Conclusions: The study of organizational culture and innovation in community centers is an important issue with scientific and practical significance, since their in-depth knowledge is an important prerequisite for achieving competitive advantage, correct positioning, long-term sustainable development and greater engagement in public life.

The theory proves that innovative organizational culture has an essential role for the implementation of effective community center activities. Strong and deeply rooted organizational innovation culture is essential to allow the creation of sustainable innovation in community centers. The more organizational culture emphasizes on learning, the higher its ability to innovate is.

Knowing the factors that influence organizational innovation culture contribute to the creation of favorable organizational climate and to the fuller use of innovative potential of management and employees in community centers. Theory and practice prove that in this regard, special attention should be paid to opportunities for continuous improvement; organizational structure; mechanisms to support and stimulate innovation; innovation readiness; organizational learning; the degree of market orientation; leadership practices; manifestation of creativity and motivation; empowerment; innovative behavior; development of personal skills and promote communication.

Innovative organizational culture plays an important role in stimulating innovative behavior among all members of an organization. It is therefore necessary for community centers to focus their efforts and attention on the formation and continuous improvement of organizational innovation culture.

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SOCIO-ECONOMIC ENGAGEMENT OF EDUCATION RELATED TO HUMAN POTENTIAL DEVELOPMENT FOR AN INNOVATIVE SOCIO-CULTURAL SPHERE

PhD Student Vasilisa Karukova

Recent decades and the current new conditions brought forward a new approach to employees in organizations, namely examining their human resources. A number of foreign and Bulgarian authors argue their views as supporting the thesis that human resources are a concept richer than personnel. According to some, human resources represent the people in the organization with their professional qualifications and personal qualities that enable it to achieve its economic goals¹⁵⁴.

In organizational and technological context, socio-cultural activities are presented as a way of organizing resources to achieve the goals and objectives in order to obtain certain results and resource base is represented as a set of basic components necessary for the production of certain cultural products (goods or services). The availability of resources determine the production potential as a subject of socio-cultural activities, as a real opportunity for the realization of social and cultural projects and initiatives.

A resource base is characterized by several types of legal resources, personnel, technology, information and methodical, financial and material-technical resources.

The optimum use of all resources is a guarantee of socio-cultural activities (SCD) in socio-cultural organizations is a complex uneven evolving creative process that is determined by:

- the level of professional skills of those skilled in the socio-cultural sphere (the team as a whole and each member separately);
- material and financial base, technical equipment of offices;
- the specifics of the audience;
- regional characteristics of the activity.

The tasks of the SCD are related to increasing efficiency through improvement of the socio-cultural organizations and institutions of the socio-cultural sphere in modern conditions and training and retraining of specialists in socio-cultural sphere.

Based on the analysis of the state of socio-cultural practices, new elements in the work of socio-cultural institutions and individual experts are revealed. According to the American lecturer in Personnel Management and Human Resources Studies Gerald Cole¹⁵⁵, the results of the job depends on the capacity, ability and willingness to implement:

¹⁵⁴ Andreychin L. and others. (1994). Bulgarian dictionary. Sofia: Science and art.

¹⁵⁵ Cole, G. (1996). Personnel Management. London: DP Publications Ltd.

- *capacity* expresses the degree of relevant knowledge, skills, abilities and experience that an individual possesses;
- *opportunities* are associated with conditions that are available to them to complete a job and expression capacity;
- *will* – its implementation refers to the degree of willingness of an individuals to exert the necessary efforts, i.e. to motivation.

Labor achievements form under the influence of these three factors. All this formed the human potential that appears as capital for any organization.

The human potential becomes a major resource and wealth of every organization that creates and develops itself in order to increase the opportunities and its competitiveness¹⁵⁶. It is the most important and most difficult to control labour factor, so it should be approached with particular attention. Contemporary scientific formulations of the essence of human resources and transformation into human capital are perceived even more as part of the economic and primarily social space, but in order to acquire the ability to invest a certain quality and quantity workforce and to make each individual a human resource, the state, family and employer invest and will continue to make long-term investments. With the constant changes in technology and technology, investment in human resources is constantly increasing. This defines people in the organization as its definitely most valuable resource, as the most important and limitless potential that it can develop. It is also the capital who works with a fraction of their mental ability. Unlike tangible resources, human ones are beings who have their physical, spiritual and social needs. Investing in human capital is an objective necessity for a prosperous organization. According to the Russian economist Ashot Khachaturian¹⁵⁷ this human capital is either existing in the company, or it must be created, or it should be sought out through recruitment and hiring processes.

Human resources include a number of experts, technical and service personnel with their performance, especially professionally, intellectually and on a demographic level, the intended use of the organization and ensurance of the quality of the products (goods and services). The socio-cultural organization must have the necessary and sufficient number of specialists to ensure the performance of its core functions. Each specialist must have appropriate education, training, vocational training, they should possess the necessary knowledge and experience to carry out the duties assigned to them. The qualification characteristics of skills is a set of professional requirements, knowledge and skills that are realized during the implementation of specific professional duties in the socio-cultural sphere.

¹⁵⁶ Vladimirova, K. (2009). Strategic human resources management. Sofia: NBU.

¹⁵⁷ Khachaturian, AA (2010). Chelovecheskimi resursami management in business organizations: Strategicheskie osnovy. Moscow: burners.

Professional competences, as quite a complex structure, is characterized by the combination of several components - conceptual, contextual, technological, adaptive, communicative and integrative competence.

In general, the term potential (Lat. Potentia - power) is associated with the capability of the individual, society or country in certain areas with human potential being the foundation of every innovation and its productivity.

What is typical of innovations is that they are the result of deliberate and planned creative activities realized in practicing novelty. Any innovation should be assessed by its labor intensity, requirements for human resources, material and technical, software and methodical, financial and other nature. The requirements are directly related to the feasibility of innovation, the choice of which must be logically justified.

Innovation activity and innovation are of strategic importance to the organization as a guarantee for:

- enhancing competitiveness;
- overcoming the negative consequences of climate change, resource shortages and demographic change;
- ensuring smart growth of the economy;
- job creation;
- security and development of effective links between education, science and business to meet the needs of society.

Factors influencing innovation are:

- *objective* - creating conditions that promote innovation and ensure the acceptance of their results;
- *subjective* - associated with the personal characteristics of the participants in innovation and readiness for innovation.

Some of the factors stimulate the innovation process; whilst there are also factors that cause retention of the innovation cycle. To overcome the factors limiting the process of introducing innovation into practice, special programs that provide positive perception of innovation are created. One of the mechanisms that weaken the factors inhibiting innovation is stimulating the creativity of workers. To achieve this it is necessary to create conditions that support the creative atmosphere in the organization - promoting innovation to young professionals holding regular competitions for innovation, provision of material and moral support workers and others.

Socio-cultural innovations have a number of features, some of which are:

- innovation in social and cultural activities are the result of collective creativity;
- the use of innovation in socio-cultural sphere does not always lead to quick results and do not always have clear specific character;
- application of innovation in socio-cultural sphere is determined by the external environment and the need for internal changes;
- innovation of the socio-cultural sphere have a wide range of applications.

Innovation in socio-culture can be - innovation of a global nature, regional or local innovations implemented at one site or distributed on several sites, product and technological innovation.

The innovative process is based on the use of scientific knowledge and practical experience on order to create new or to improve existing socio-cultural services for the population.

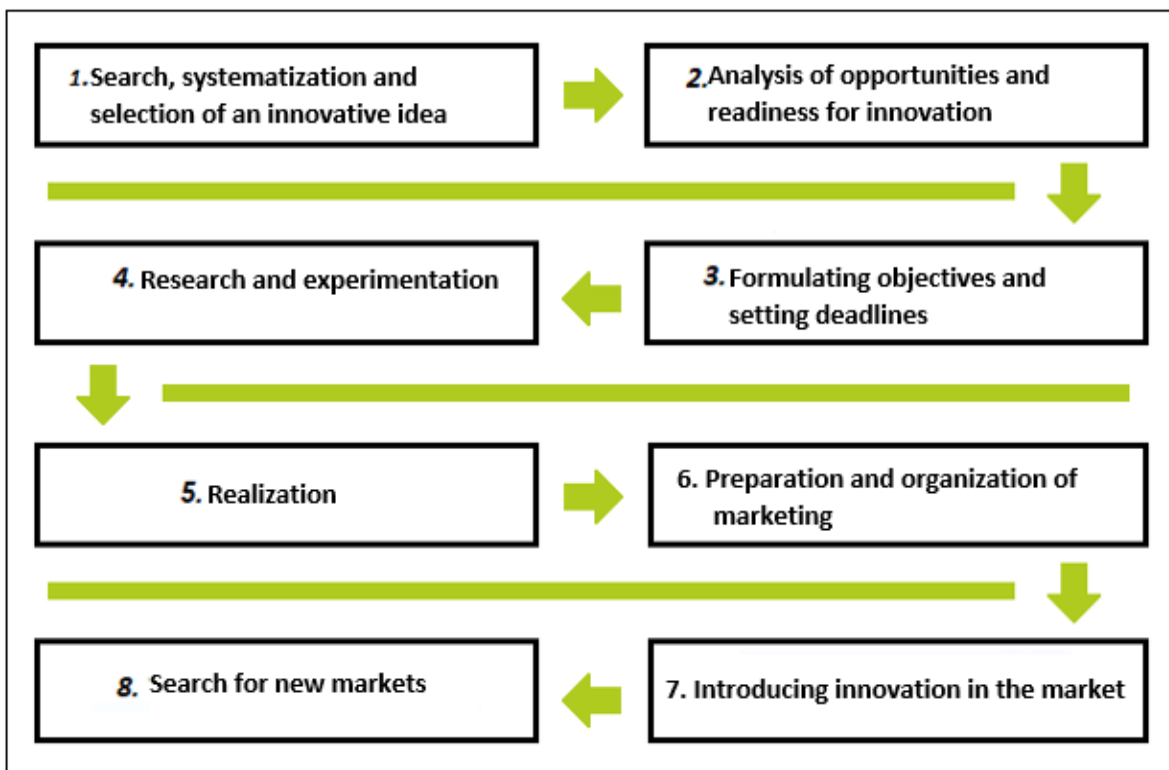


Figure 1. Stages of the innovation process

Deploying innovative experience in practice means the direct or indirect application of the achievements in the theory and operation of collective or individual specialists in socio-cultural sphere. To improve the efficiency and quality of their work implementing innovation can be:

- *mandatory*- regulated by means of administrative documents and methodological recommendations;
- *selectively*- draws attention to only progressive methods and techniques that are most suitable and feasible in a given situation;
- *proactively*- introducing in practice such a methodology, which is considered progressive by local specialists.

The relationship between methodological authorities and experts from the socio-cultural sphere should be such that everyone should be interested in the introduction of implementing the new; as a major role in the socio-cultural innovation play primarily innovations that arise from internal causes of social and cultural self-development of society and enterprising actions of individual artists. Socio-cultural innovation - this is the process of transforming the socio-cultural novelty in innovation.

Although mankind has always been involved in social innovation, social and cultural innovations appeared relatively recently, with the development and expansion of the social and cultural environment conducive to the educational services market.

Educational services are directly related to the cultural development of the people in society, norms and morality, social values and traditions, ethics in the new school.

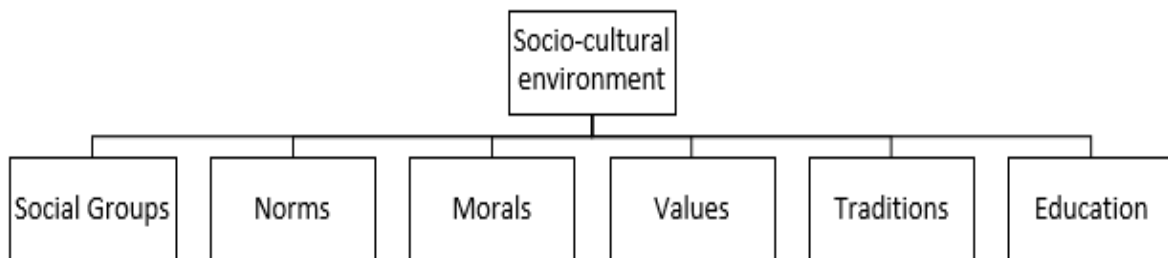


Fig. 2 socio-cultural environment

In accordance with international standards, innovation is often defined as the end result of innovation activities embodied in the form of new or improved product introduced on the market new or improved technological process used in practice or a new approach to social services. Ultimately, innovation means a change in the usual way of living and thinking, introducing mobility in the economic order, a higher degree of uncertainty and risk, and therefore entrepreneurship and creativity. The term innovative (innovational) society began in December used along with the terms post-industrial society and information society. It is associated mostly with training and education, and innovatics is an area of science that explores the formation of innovation and its dissemination as well as ways to develop innovative solutions.

The purpose of every human resource manager is to create conditions for effective work of each member of the team, the management of personnel is not just a matter of hiring and firing employees, but it actually is the process of organizing the work of the staff, the relationships with subordinates and associates, which ultimately determine the effectiveness of any institution, organization, company, industry and others. The organization of work with the staff includes personnel policy, education, vocational training, retraining, motivation, stimulation, recruitment and selection of personnel, evaluation of work, career development.

Recruitment policy means availability of basic principles for staff requirements, quality and number of competent workers and others. In the planning process of labor resources an assessment of available resources, assessment of future needs is made and programs based on needs are created.

Education and training are two sides of one process, training accompanies the development of intelligence in people and preparation is associated with learning directly related to the work performed. Learning is a complex process that involves a variety of activities, ranging from clarification of needs and ending with evaluation of results. The training implies participation of personnel in specially designed programs aimed at improving individual performance, group or organizational level. The increase results involve a change in the level of knowledge, skills, attitudes and behavior of people in comparison with previous training. Therefore, the training covers not only the formation of new knowledge, increased skills, but also the formation of the desired attitudes and behavior at work, at work within an organization.

Development of human potential and turning it into a quality workforce can be achieved through training within the organization of the workplace. Company training aims to provide a unified training staff to perform specific work activities, regardless of the place of work. It is essential at the current stage of development of an economy based on knowledge. Knowledge and skills in-house training have a special professional character. It is most often short, it has an intense character and it doesn't require stopping work. Different categories of staff and members of management can be part of the process. It is extremely efficient because the form of training is to ask questions and examine real case studies. The staff training is an important part for the development of human potential. The creation of new competencies in people makes them more mobile, highly qualified, which ensures better results. Company training plays a major role by linking education of the employee, their professional status and their lifestyle with an increase in salary¹⁵⁸.

In the current complex economic situation there are few employers who are willing and who have the means to invest in training their staff to build and maintain a stable and

¹⁵⁸ Ivanova, D. et al. (2008). Competitiveness of the furniture industry. Sofia: Avangard Prima.

skilled workforce. Current problems are related to the low level of investment in human capital and the shortage of skilled labor. Investing in human capital in Bulgaria by employers (costs of staff training) is an insufficiently developed practice - the country is one of the last in place in Europe in this indicator, i. e. the preferred strategy by employers is to attract specialists from outside labor market¹⁵⁹.

Professional training is a targeted, focused training, the objective of which is to provide the organization with enough experts whose professional qualities meet the objectives of the sector.

Qualification is a combination of knowledge, skills, work habits and experience in a certain area and a certain level which the employee must possess in order to perform a particular job. A prerequisite for obtaining and training is education, through which the individual receives not only knowledge and skills but on the basis of the development of cognition and formed their worldview. Thus, there is a need for retraining¹⁶⁰.

Along with training, upskilling and retraining, an essential factors for quality preparation are motivation, encouragement and promotion of human resources. When they are all together in a comprehensive, well-organized system, then the results are much better and the efficiency is higher. German scientists Karl Heinz Beelih and Hans-Hermann Swedes¹⁶¹ indicate in their book that motivation is the interest, the interest that man shows to his work. It is an essential prerequisite for any success, motivation depends on the situation and the personal characteristics of the individual.

Motivation potential for qualification of human resources is a strategic issue of the organization¹⁶². Motivational problems presupposes considerable interest globally and captured the attention of researchers, academics, consultants and managers. Developed motivational theories and models explain the complex nature of human motivation, but it can be noted that there is no universal theory of it.

The management of any organization must build its own incentive policy, as it should dominate modern motivational views and it is closely linked to the specific organization and its in-house environment that depends on the available personnel. It is important to realize the importance of motivation in order to impact favorably on it and through it on the development potential and achievements of the people. According to French businessman Frank Ribu tangible resources of nature are limited, but the resources and people are boundless when they are motivated, i.e. motivation is the inexhaustible

¹⁵⁹ Cholakov, N. (2007). Labor and Social Statistics. Sofia: Economy.

¹⁶⁰ Kolchagova, B. and H. Taneva (1992). Organization and management of production. Sofia: TU.

¹⁶¹ Beelich, KH und H.-H. Schwede (2002). *Die Lern-Spirale: erfolgreich lernen mit Methode*. Würzburg: Vogel.

¹⁶² Vladimirova, K. (2009). Strategic human resources management. Sofia: NBU.

domestic resource for the organizations. It is based on the needs that are inside the individual and on the goals that are beyond¹⁶³.

Motivation is an intrinsic property of the human component of their character associated with their interests and defining their behavior in the organization. The incentive has impact on people, aiming to increase their activity by changing the behavior of the organization. Unity between the needs and aspirations determine the motive and incentive determine the incidence of reasons. The motives are the basis on which the behavior of the individual¹⁶⁴ are formed.

Motivating and stimulating are part of a complex creative process that is connected with the study of the particular organization, needs, interests and expectations of its employees that may incite reasons for higher efficient operation, in line with the objectives of the organization. Incentives play a vital stabilizing and revitalizing functions. Contented and motivated employees produce more, better work and serve customers, multiply financial success and reduce turnover¹⁶⁵. To motivate people means to be focused on leanlshed direction and take the necessary steps to get you where you need¹⁶⁶.

Recruitment in general is a complex and responsible activity, seeking internal and external sources. The use of internal sources is possible when making renovations or extensions in the organization and consistency between the profession and the qualifications of the available and necessary staff. It has economic and social benefits as it saves investment in training and stimulating influence of their workers. In some cases the demand for employees from an external field that come with new ideas and more enthusiasm¹⁶⁷ is preferred. Recruitment allows for the necessary professional selection among the candidates to be made. It consists of detecting the correlation between the specific requirements of a professional activity and the qualities of an individual.

Recruitment and selection of staff are only the initial stages of building a stable and skilled workforce. Staff needs to be developed and improved continuously in order to effectively use the potential and to maintain a balance between the requirements of the activities and skills of workers.

Development of human potential at work is closely related to training. The development includes growing the profession and the hierarchy. It is related to changes in

¹⁶³ Vladimirova, K. (2009). Strategic human resources management. Sofia: NBU.

¹⁶⁴ Steffen, G. und D. Born (1997). Betriebs und Unternehmensführung in der Landwirtschaft. Stuttgart: Ulmer: Verlag & Jahr.

¹⁶⁵ Caneva, H. et al. (1981). Psychophysiology of labor. Sofia: Medicine and Sports.

¹⁶⁶ Vladimirova, K. (2009). Strategic human resources management. Sofia: NBU.

¹⁶⁷ Kolchagova, B. and H. Taneva (1992). Organization and management of production. Sofia: TU.

occupied positions, positions within the organization and outside of it. In other words, the development also includes administrative changes such as relocation, reassignment, promotion and dismissal. The management and career planning is also related to development. This is an activity which directly involves every individual in the organization. It is connected with the need to monitor and guide the professional and career development of employees in the organization, taking into account their individual preferences and characteristics, attitudes to work in one or another area¹⁶⁸.

Nowadays innovation as a concept is not limited to the economic sphere and material production, it also includes the problems of sociology, management theory and other areas, including education. A special role in the innovation economy plays a socio-cultural education institution that is the basis for the development of human potential. The modern system of continuous education turns everyone into eternal student, which is determined by objective economic reasons, it actually realizes innovative economy. An important feature of this innovative organization of thought and action is its integrity - educational, planning, management, scientific and methodological and others, given that *educational innovations* emerge as the most important socio-cultural phenomenon, which joins the new educational system, transforming it into a modern society with the teacher being a central figure in it – a subject of the educational system with their system of values and preferences; the parameters of its innovational potential being directed towards ensuring a socio-cultural sphere.

Innovation environment of the educational institution is a combination of educational and practical, logistical, organizational, managerial and other resources. The relationship between them provide targeted development of the educational institution as a complete educational system, contributing to the development of innovative resource person.

¹⁶⁸ Vladimirova, K. (2009). Labor Economics. Sofia: CIELA.

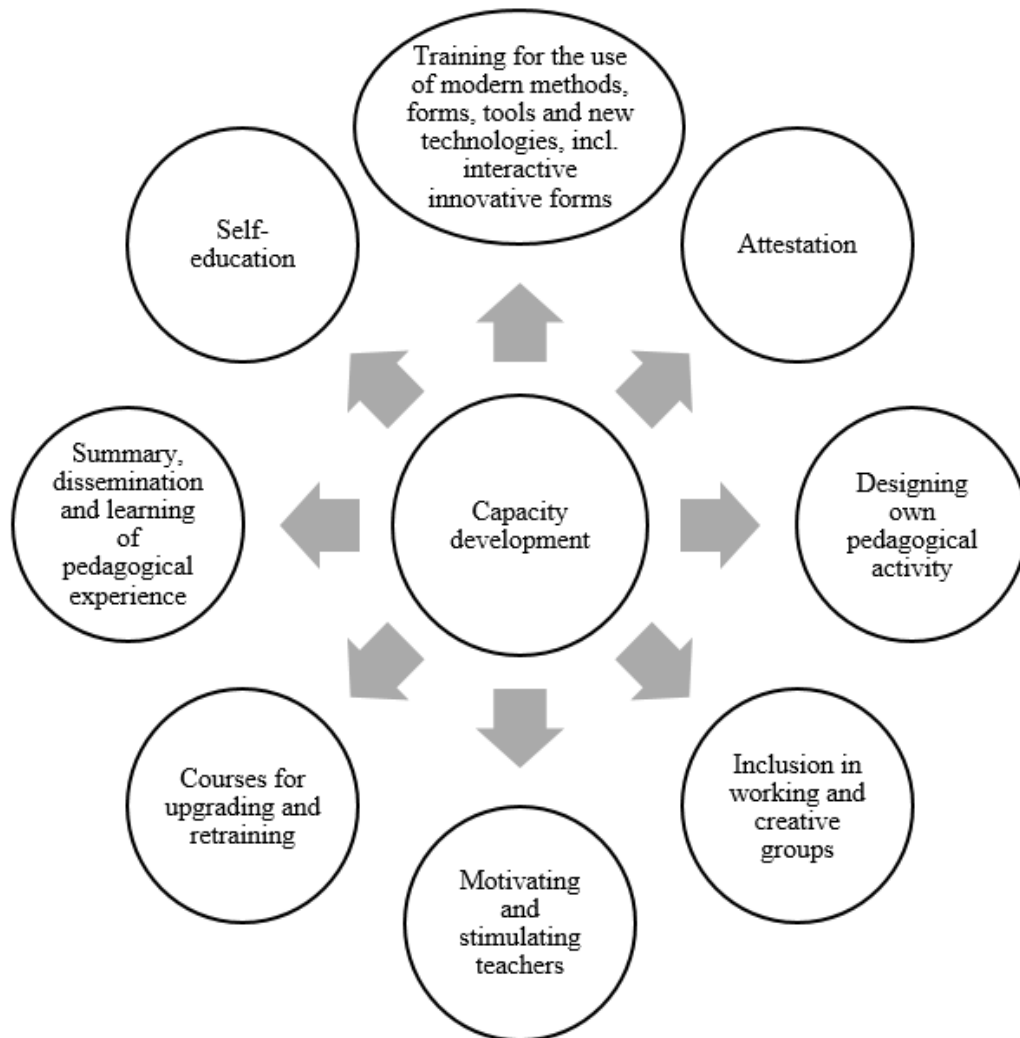


FIG. 3. Development of human potential teachers for invative socio-cultural environment

According to respondents' answers students and teachers from 14 vocational schools in Blagoevgrad innovation environment in school is not satisfactory.

For students:

- in many of the classes are not used innovative forms of training – up to 32.7%, only occasionally - 58.5% and often - 12.1%;
- Multimedia can be used in more than three subjects for 45.6% of pupils, 39.5% - in one or two disciplines, and 14.9% are of the opinion that none academic discipline can be thought through using multimedia;
- for 58.7% of the surveyed students the use interactive of tools in education will lead to increased motivation to learn, 27.1% - can not decide, while 14.2 percent responded negatively.

For teachers, the answers to the questions were more optimistic:

- 69.3% say that conditions for conducting innovative training in their schools exist, 5,7% responded – partially, and for 25% - these conditions are absent;
- only 10.8 percent of teachers want to participate in innovative activities, 38.1% have a positive attitude towards this activity, and 51.1% are willing to participate, but need better motivation;
- for 52.8% of respondents stimulation plays a significant role for the inclusion in the innovation program of the school, 13.1% categorically are not excited by various incentives, while 34.1% showed indifference to the incentives for innovation in the school;
- most of teachers, 42% , consider that it is necessary to innovate the facilities of the school, for 39.2% organizational changes are compelling and only 18.8% associate innovation with changes in the curriculum.

Innovation and tradition are two interrelated parts of the development of Bulgarian education. Creativity and progressive change are the other side of the development, in both the society and the system of education. Universal characteristic for each educational activity is unity between tradition and innovation, and education, as well as any other service, is involved in the socio-cultural and is inseparable from it.

Conclusion: In recent years, education has established itself as one of the subjects with the highest public importance. In most Bulgarian citizens' minds, a new national priority has emerged. Most agree broadly on the need to redefine the objectives of Bulgarian education to new demands of the dynamic global economy and the challenges of the highly competitive labor market within the European Union. The understanding that only an educated and innovative thinking nation can be a rich and prosperous one is also shared.

Due to the close link between education and the labor market, quality and training of specialists directly affect economic growth potential. An internationally proven approaches to improve the quality of professionals is directly related to education and practice. There has been some progress in Bulgaria in recent years regarding the implementation of this approach to education through work (dual education), which proved to be working and is the most effective way of teaching profession in many countries. Along with these changes VET system in Bulgaria has undergone a serious legislative change and government adopted several strategic documents that helped to develop and improve the quality and image of vocational education in Bulgaria, through innovative activities by creating an innovative learning environment. The level of innovation management processes in an educational institution can be improved if the process of innovation development in the work of the school is based on willingness of pedagogical staff for innovation and their ability to create and develop a model for managing innovation, taking into account the specifics of the educational institution.

Innovation is the main mechanism of socio-dynamics and along with traditions they are the most important element of the cultural forms and their integration into existing socio-cultural systems. Socio-cultural innovation is a specific mechanism for the formation of new technology, new patterns, new economic and political structures that have become prerequisites for the renewal of society and culture. Traditional models of career development may soon be history, many of the roles and positions in the future will be the type that we have never even heard of before¹⁶⁹.

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¹⁶⁹ *National Strategy for the Development of Research in Bulgaria 2017 - 2030* (2017). Sofia: MS.

NECESSITY FOR DEVELOPMENT OF KNOWLEDGE, SKILLS AND COMPETENCES IN THE FOREIGN LANGUAGE EDUCATION OF THE STUDENTS IN THE PROFESSIONAL FIELD 3.8 ECONOMICS AT SOUTH-WEST UNIVERSITY "NEOFIT RILSKI"

Lecturer Dr. Olga Kostadinova

The text is conditionally divided into three parts, the first examining and explaining in detail the nature, function and advantages of the European Qualifications Framework is purely theoretical and the largest in volume, with emphasis on competencies for learning foreign languages. Reason being that without this knowledge, students could not better navigate among the many opportunities that the European Union provide them in terms of careers opportunities such as travel and residence in the "Erasmus" at a university, internships, fellowships, obtaining a professional qualification and others. EC's aim is to facilitate mobility within the European Union but also to encourage lifelong learning. The second part of the article focuses on one portfolio of five documents known under the name Europass. These documents describe the knowledge, skills and qualifications of people during their training, professional or personal experience. These papers are used for residence education, training or employment in Europe. They facilitate communication between employers, job applicants, educational institutions and students in all European countries.

This article draws most attention to the language skills they acquire while studying language skills in the first year of studies at the South-West University "Neofit Rilski" at the Faculty of Economics in the professional field 3.8. Economics. For this purpose, the Common European Framework of Reference, which serves to make commensurate and comparable foreign language competencies into a single scale valid throughout Europe is used.

1. Nature of the European Qualifications Framework

"The European Qualifications Framework (EQF) is a common European reference framework which links national qualifications systems, acting as a tool to explain the content and increasing the intelligibility of qualifications across different countries and systems in Europe."¹⁷⁰

The term "qualification" is essential for EQF. One definition is: "A qualification is achieved when a competent body determines that an individual's learning has reached a specified standard of knowledge, skills and wider competencies. The qualification gives formal recognition to the assessment of the labor market and in further education and training. The qualification can be a legal entitlement to practice or to a trade."¹⁷¹

¹⁷⁰ www.ec.europa.eu

¹⁷¹ files.slovo.uni-plovdiv.bg

EQF aims to facilitate mobility within the European Union but also to encourage lifelong learning. It was decided for a European qualifications framework to be created at the meeting of Heads of Government in Brussels in March 2005, while EQF itself was established in 2008. The functions of this framework are increasing transparency and promoting mutual trust and thereby there will be no need for further recognition of qualifications of citizens of the European Union. The frame is characterized by a broad applicability and reliability. Therefore it contains eight skill levels.¹⁷²

They are also called key competencies, common to all European Union countries that are adapted to the Bulgarian education. And they are:¹⁷³

1. *Communication skills - language learning;*
2. *Mathematical competence;*
3. *Competence in knowledge of the interaction with the physical world - physics and chemistry;*
4. *Data processing and computer skills;*
5. *Social and civic competences;*
6. *Cultural and artistic competence;*
7. *Learning skills;*
8. *Autonomy and personal initiative;*

These key competences "are a combination of knowledge, skills and attitudes essential for human development, social inclusion, competitiveness and employability. They increase choice, improve adaptability to the changing conditions of life and work, make people social, mobile, competitive and motivated. "¹⁷⁴

All competencies are equal. Topics such as critical thinking, creativity, problem solving, decision making, initiative and others are common to all competencies. They include:

- Knowledge of the theory: knowledge
- Practical knowledge, skills and abilities
- Knowing how to be, attitudes and behavior

F.E.Vaynert defined the term "competence" as cognitive abilities and skills that individuals possess or acquire in order to successfully solve certain problems and solutions already ready to apply to intermodal situations.¹⁷⁵

¹⁷² bg.wikipedia.org

¹⁷³ fe.swu.bg

¹⁷⁴ www.domex-consult.eu

¹⁷⁵ Franz E. Weinert (Hrsg.): Leistungsmessungen in Schulen. Weinheim und Basel: Beltz.

Competences to communicate in foreign languages are first in the scale of the key competencies not by chance. Overall, they are the same as the one needed for communication in the mother tongue. Communicating in both native and foreign language includes "the ability to express and interpret concepts, thoughts, feelings, facts and opinions in both oral and written form (listening, speaking, reading and writing) and to communicate in an appropriate and creative way in all situations in social and cultural life, education and training, at work, at home and during leisure time."¹⁷⁶

Knowledge in vocabulary and functional grammar are the basis for communication in foreign languages. These include knowledge of basic types of oral and written communication. Another important prerequisite is knowledge of social conventions, cultural aspects, the great diversity and the development of languages. When it comes to skills they include understanding the verbal messages, the ability to lead, to continue and complete calls, as well as reading, understanding and self-compilation of texts that meet the needs of the individual. Positive attitude is also directly related to "cultural diversity, interest and curiosity towards foreign languages and intercultural communication."¹⁷⁷

When it comes to language learning "we can not restrict ourselves on delivering oral skills to use the target language as a communication tool and to strive to develop skills for intercultural understanding."¹⁷⁸

Good preparation and understanding in foreign language communication are crucial to the overall knowledge of the foreign system of socio-cultural knowledge, not just individual skills in the context of individual concepts and speech activities.¹⁷⁹

Refracting computer skills through the prism of language teaching, they can be defined as computer processing of information "search, collection, processing and provision of information and its transformation into knowledge, including the use of information and communications technology (ICT) as a basis for training and communication. "Computer skills go hand in hand with the mastery of basic specific languages (textual, numerical, visual, graphic and audio) and the ability to decode and transmit. The information can not create knowledge automatically. The accumulation of knowledge "requires thinking skills to organize, connect, analysis, synthesis and draw conclusions with different levels of complexity."¹⁸⁰

¹⁷⁶ www.sofrony.net

¹⁷⁷ www.sofrony.net

¹⁷⁸ Mueller, BD, "Probleme des Fremdverstehens," interkulturelle Kommunikation in der Konzeption von Daf-Unterricht "in" Interkulturelle Kommunikation und Fremdverstehen. Dokumentation eines Werkstattgesprächs des Goethe-Instituts Muenchen ", MS, Muenchen, 1983, Seiten 262-263

¹⁷⁹ Toteva, D., Language culture, communicative competence and intercultural interactions in foreign language education, In: Chuzhdoezikovotoobuchenie professional training. (Proceedings), Burgas, 1994, p. 5-11.

¹⁸⁰ fe.swu.bg

The role of teachers lies not so much in the transmission of facts and knowledge as to guidance and impulses when creating the "important and significant for society competencies that young people need to be able to successfully adapt to global changes." Specifically, efforts of teachers at the university responsible for language learning should be aimed at using ICT and interactive communication in the learning process as a good prerequisite for creating abilities in students, including "critical thinking, effective communication and co-solving scientific problems."¹⁸¹

Foreign language education focuses is on the students. They are in the center of the learning process because they not only master a particular matter but they also train not only their memory, they also develop the ability to make sense of important phenomena and processes. In this connection, the role of the teacher is to prepare, assist and guide the learning process. They create the necessary conditions for critical analysis, creative thinking and demand and in need serves as a corrective. At the core of foreign language education lies the recognized need to acquire knowledge and skills as students are not only recipients of certain volume of information, and play the role of a subject of their own learning.¹⁸²

The need to develop knowledge, skills and competences in the field of foreign language education is directly related to the expansion of international contacts and the implementation of electronic communication, which in turn require better communication skills in a multilingual environment. Increasing awareness of the need for quality and effective foreign language education, to be directed from the outset to the specific needs of learners and build competencies in their chosen professional field.¹⁸³

"Learning to learn" as the seventh element of the key competence is directly related to "acquisition, processing and utilization of knowledge and skills, and to search and use of guides." What is especially important here is the motivation to enable students to build on a their already acquired knowledge and experience. Requirements such as basic skills (literacy and digital literacy) are of paramount importance for further study. Perseverance in learning, critical thinking, effective application of models for learning and career building are important conditions for the development of this key competence. "A positive attitude includes the motivation and confidence to persevere and succeed in the course of human life." The main elements of a positive attitude is the desire and attempt to apply what they have learned already,¹⁸⁴

¹⁸¹ the same

¹⁸² Neykova Mary. Problem learning, e-learning and mobile technologies in learning a foreign language ./ Foreign Languages, 2017, № 1, p. 150-157.

¹⁸³ Stambolieva, Mary. Language technology to support teaching specialized language ./ Foreign Languages, 2017, № 1, p. 24-34.

¹⁸⁴ www.sofrony.net

When it specifically comes to developing students' competence, it must be emphasized that they they are needed not only during studies, but it is vital to apply them outside the academic environment and to make a good basis for professional development (at the start of their professional life).¹⁸⁵

As a conclusion, it can be underlined that "competence is a set of knowledge and skills that enable the exercise of professional activity in accordance with the requirements of production and employment."¹⁸⁶

Aligning higher education with labor market key competences should be seen as part of university education and their integration into the learning process to follow the natural development of their absorption of learners.

The advantages of the EQF for Europe are as follows:¹⁸⁷

- it will contribute to building a network of independent but related and mutually understandable qualifications systems.
- framework will facilitate comparability and transferability of qualifications between countries, systems and institutions and will have practical applicability, both at a European and at a national level.
- it will support greater mobility of learners and workers.
- it will encourage the celebration of progress, for example by eliminating the need for repeat courses.
- The EQF will support individual users as well as organizations providing services in the field of education and training by increasing transparency of qualifications awarded outside the national systems, such as within individual sectors and multinational companies.

These skills must be acquired at the end of compulsory education and training and maintained through lifelong learning.

Education and training in Europe are extremely diverse, so EQF therefore shifts the focus on learning outcomes rather than on inputs such as length. EQF aims to bring together national qualifications frameworks in different countries around a common European reference - and these are the eight reference levels. They cover the full range of skills - from basic level number 1, to advanced levels 7 and 8. The first level corresponds to secondary education, and 8 corresponds to the degree Candidate of Sciences.

¹⁸⁵ Miteva, Nelly. Key competencies in academic work. Q: Foreign language training today (festschrift) Sofia: New Bulgarian University, 2013, p. 59

¹⁸⁶ fe.swu.bg

¹⁸⁷ www.ec.europa.eu

The qualifications cover a wide range of learning outcomes, including theoretical knowledge, practical experience and technical skills, and social competence, as the first measures the ability to work together.¹⁸⁸

The biggest contribution of the EQF is to modernize education and training as well as their common commitment to build bridges between formal, non-formal and informal learning that the ultimate goal is the recognition of learning outcomes acquired through experience.

In the process of implementing the EQF every country has an obligation to establish a correspondence between their national qualifications (diplomas, certificates or awards) and eight EQF levels, taking into account national qualifications frameworks and their corresponding levels that are enshrined in national qualifications systems. In conclusion it may be noted that "EQF is an ambitious and comprehensive tool that has implications for education and training, labor market, industry and trade, as well as individual citizens."¹⁸⁹

On 02.02.2012 Bulgarian government adopted a National Qualifications Framework in Bulgaria in response to a recommendation by the European Parliament and by the Council establishing a European Qualifications Framework for lifelong learning. The most important objective of the Bulgarian qualification framework is offering such training that is oriented towards achieving concrete results defined criteria for skills and knowledge in line with the dynamically changing conditions serving the needs of businesses, anticipating its contemporary trends and strategically oriented.¹⁹⁰

2. What is Europass?

"Europasspred is a common framework for the transparency of qualifications and competences in Europe. Europass is a portfolio of documents developed at European level and recognized by 33 countries (EU Member States, Iceland, Liechtenstein, Norway, Switzerland, Turkey). The portfolio consists of five documents that describe the knowledge, skills and qualifications of people during their training, professional or personal experience. What are the Europass documents?"¹⁹¹

The first two documents can be self-completed online by European citizens:¹⁹²

- **An autobiography** helps you present well understandable skills and qualifications, as well as the environment in which they were acquired. The document can be completed in all official languages of the European Union and is completely free.

¹⁸⁸ www.aubg.edu

¹⁸⁹ www.ec.europa.eu

¹⁹⁰ <http://ibset.eu/>

¹⁹¹ old.hrdc.bg

¹⁹² europass.cedefop.europa.eu

- **A language passport** is a tool for self-assessment of language skills and qualifications that can be completed online.

The other three documents are filled in and issued by competent organizations.

- **Europass Mobility** describes the knowledge and skills acquired in another European country, for example - internships in companies training period as part of an exchange program, volunteer work. The document is completed by two partner organizations involved in the mobility project, one of which is the home and the second - the host side. The partners may be universities, schools, training centers, companies, companies, etc.

- **Europass Application Certificate** is issued to people who have a certificate of vocational education or training, and describes the knowledge and skills as well as additional information about the professional qualifications which contributes to a better understanding of skills, especially abroad.

- **Diploma Supplement** describes the knowledge and skills acquired by those graduates. The document does not replace the original diploma, but rather complements the information set out in it and make it more easily understood, especially abroad. Europass Diploma Application is obtained from the high school that issued the original diploma.

"The framework of the Europass was introduced in January 2005 and brings together all European documents supporting transparency. Clear links between the Europass documents and recommended EQF levels must be established. Future developments of the Europass portfolio and its constituent documents must take into account the common reference levels and descriptors of the EQF and be based on learning outcomes."¹⁹³

Objective of the Europass

- To help citizens effectively present their skills and qualifications to find a job or training ;
 - To help employers understand the skills and qualifications of the workforce;
 - To help organizations in the field of education and training to identify and present the content of curriculum;¹⁹⁴

In conclusion, it should be noted that Europass documents are used in residence, education, training or employment in Europe. They facilitate communication between employers, job applicants, educational institutions and students in all European countries. They facilitate the mobility of citizens and improve their prospects for employment in the

¹⁹³ files.slovo.uni-plovdiv.bg

¹⁹⁴ Europass.cedefop.europa.eu

single market. Their most important function, however, is associated with the support of European citizens to perform best skills acquired throughout their lives.¹⁹⁵

3. Common European Framework of Reference

This article draws most attention to the language skills they acquire while studying language skills in the first year of studies at South-West University "Neofit Rilski" at the Faculty of Economics in the professional field 3.8. Economics. The curriculum is constructed in a way that gives students opportunity to study English only in the first and second semester, the goal is to improve and enrich their language skills, so that in the next few semesters students already have the necessary linguistic preparation to be able to independently build knowledge, skills and competencies in studying the most common international language, whose mastery suggests a better career and seamlessly communicate with foreigners and all representatives of different cultures.

According to the criteria of the European Common Reference Framework abbreviations A1, A2, B1, B2, C1, C2 represent indicators reflecting linguistic competence in foreign language. Based on a survey in 16 countries of the European Union, held on the recommendation of the European Council for Cultural Cooperation, it has been investigated to what extent are foreign languages spoken fluently in different countries and what are the most important factors in their study. The aim of this study is "to stimulate the collaboration of European educational institutions, especially foreign language skills to make commensurate and comparable single scale for the whole of Europe." Competencies are reviewed and evaluated in four language skills: "listening, reading, speaking and writing."¹⁹⁶

Most of the first-year students enrolled to study economics in the Faculty of Economics at the SWU "Neophyte Rilski" come with extremely poor language skills. Nearly 60% of them, despite their long learning of English in primary and secondary schools remain at level A1. What is most disappointing is the fact that they have absolutely no motivation and self-discipline to work independently under the guidance of teachers at the university since the curriculum includes three hours a week for studying English and this is applicable only in their first year, which is extremely insufficient for students to acquire good language skills at the end of the school year without independent work and persevere in the course of foreign language education. Only a few small groups build of several people from the Economics course show genuine interest and desire to work and build their language skills. For the convenience of English teachers, after the entrance test which shows the language level of each freshman, the language learning starts. The students are divided into levels, most of course fall into the group of the beginners.

¹⁹⁵ old.hrdc.bg

¹⁹⁶ <https://globalschool-bg.com>

Unfortunately after the first semester this group becomes considerably thinner and throughout the second semester only a handful of students reaching level A2 are taught. For those few months of the first semester only a basic level of proficiency is provided in the curriculum. The group of beginners are separated into two other small groups, starting from level A2 or B1, reaching at the end of the second semester levels B1 and B2. Unfortunately, out of the entire course of first-year students in Economics there is only one or two that cover the outset highest level B2 or C1. These are mostly former students from language schools or those with advanced study of English language. This is the reason why they prepare themselves for the two final exams without having to be individually trained as, of course, they have the good opportunity to attend regular consultations given by teachers twice a week, provided for the benefit of all students. What impresses the teachers is that conscientious and diligent students, regardless of their initial level, improve their language competence and end their first year with high grades.

The fact that foreign students, mainly from Macedonia and Greece come with the best language skills of secondary school, often starting at level B1 or B2, should be noted, unfortunately to the shame of the Bulgarian education system. Unlike Bulgarian students they are much more conscientious, motivated and always well prepared for classes.

The writing of this text was dictated by the great need for students from South-West University "Neofit Rilski" (majoring in Economics) to develop a certain set of foreign language knowledge, skills and competencies, which subsequently can serve them as a trampoline for a residence abroad, connected for example with university studies, vocational training to acquire specific skills, specializations, the exercise of a profession, attending language courses, internships and more. It also allows students to be knowledgeable and informed about the main European requirements for proficiency in English and mandatory layout of proper documentation, without which their stay abroad would be impossible.

In this context, the European Qualifications Framework performs the important function as a tool to explain the content and increase the intelligibility of different qualifications across different countries and different systems in Europe. Namely by increasing the transparency of qualifications and promoting mutual trust between the two partners it becomes possible to eliminate the need to repeat certain courses, which has its practical applicability, both at European and national level.

Also Bulgarian students are not well informed about the great opportunities offered to them by the European Union for their professional growth and getting successful professional training and development. The set of information in this article would help them to facilitate their mobility within the European Union. This would not be possible if the first-year students do not have the necessary for this purpose language training.

Mastering recognized throughout the international language (English) plays the most important role in achieving the dream job. However, only a small portion of the students are able to meet the high requirements of the European Union concerning the acquisition of good language skills and a successful career on the European labor market. What remains is only optimism and hope that a small percentage of successful and skilled Bulgarian students feel socially engaged patriots at heart and are responsible to the Bulgarian public about everything that is happening on the territory of our country, instead of fleeing their homeland in search of better livelihood to use each stay abroad as an opportunity for obtaining wealth in every sphere, afterwards using foreign experience to seize and draw conclusions as we try to apply it in our country: in order to further improve our politics, law, national economy, social activities, education system and culture. The young people of Bulgaria are our only hope and strong belief that our country will again be revived and will overcome the current nihilism and apathy among people.

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CONCLUSION

It seemed as though there were enough arguments in favor of the claim that the future would prioritize human capital under objective circumstances at the beginning of the 21st century. Knowledge, intellect and the quality of human potential have long become a decisive force for the prosperity of every nation, since they are already the most important element of any economic activity. The arguments put forward in the monograph provoke controversy about the role of human resources as the most valuable capital of the nation and the main challenges facing Bulgaria in this direction.

HUMAN POTENTIAL DEVELOPMENT
FOR AN INOVATIVE
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