

# **CREATION AND DEVELOPMENT OF THE FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION AT ST. KLIMENT OHRIDSKI UNIVERSITY OF SOFIA**

The paper is dedicated to the 120<sup>th</sup> Anniversary of St. Kliment Ohridski University of Sofia

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## **RESUME**

The article gives a chronological review of the history of the Faculty of Economics. It follows the different stages in its development towards an independent faculty: the Law Faculty, the opening of the Public Economics Sciences, its closure and reopening under the present name. Its eventful history is an expression of the strong desire for modernization of university education and reflects the changes in the social and economic life during the 120 years.

**Key words:** economic history, development, statistics, professors, subjects

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Economic sciences were taught as far back as 1892 when political economy, finance and statistics became part of the curriculum of the Law Faculty at the first Higher School of Sofia.

In 1904 the National Assembly passed a bill renaming the Higher School of Sofia Bulgarian University of Evlogi and Hristo Georgiev Brothers from Karlovo. Economic sciences went on being taught at the already existing Law Faculty, which comprised the independent chairs of financial sciences, statistics and political economy. Among the first lecturers who taught these subjects were Prof. Boncho Boev, delivering lectures on financial sciences and statistics and chairman of a seminar on Demography, Professor Extraordinary Georgi Danailov, who taught systematic courses on Political Economy, Introduction to Economic Policy, Trade and Industrial Policies and History of Economic Teachings. In 1909 Petko Stoyanov, who later became Head of the Financial Science Chair, was elected a regular reader at it. His basic courses being Financial Science and Financial Law. The exceptional erudition of these first

lecturers accounted for the strongly impressive way in which economic sciences were taught at Sofia University at that time, this resulting in taking the lead in the country's scientific activities during the next few years.

The wars of 1912 - 1918 brought about a dramatic upset of the academic process. The mobilization of both lecturers and students, equipment problems as well as insufficient financial means had a profound impact on the work of all the faculties at the University. Notwithstanding the tough situation, the academic pursuits of the University went on. During that period of difficulties, it was the name of Dimitar Mishaikov that enjoyed an unrivalled reputation which was due to his brilliant scientific achievements and later resulted in his being elected a regular reader in October 1913, professor extraordinary at the Statistics Chair in January 1919, Head of the Department and finally Dean of the Law Faculty after World War I. Professor Mishaikov's courses on Theoretical Statistics, Philosophical Basics of the Statistical Method, History of Statistics, Demography, Introduction to Theoretical Economics, etc., were generally acknowledged as some of the most interesting ones.

Despite the great economic and political crisis befallen the country after World War I, the number of the students at the University was about three times as big as that in the academic year of 1911 - 1912, i.e. it grew from 2260 to 6707 in the academic year of 1918 - 1919.

On the one hand, the Law Faculty was the biggest in number of students at the University but on the other hand, it had the smallest number of full-time lecturers, so a lot of contests were held for the recruitment of regular readers and professors. Unfortunately, the applicants were not many, the high positions in the hierarchy of the civil service, the political organizations and the judicial system being better-paid and consequently more attractive than those in the university hierarchy. This was the reason for a lot of basic subjects at the Law Faculty to be taught by the so-called private readers whose full-time job was out of the University but who devoted their free time to scientific research and delivering lectures at the University.

In 1920-1921 the teaching staff of the Law Faculty grew larger by the recruitment of two lecturers: Simeon Demostenov, a Petersburg graduate and professor at the Economics Department of the North Caucasian Polytechnical Institute and Ivan Kinkel. The first being elected a regular professor in Political Economy and the second - a private professor in Political Economy. Ivan Kinkel later became one of the first lecturers in Economic History at Sofia University, also delivering lectures on Comparative History of the Economic Systems of Civilised Peoples, Bulgarian Economic History, History of Political Economy and History of Social Teachings and Movements.

After 1923 there were created better conditions for the development of university education. The gradual recovery from the post-war crisis led to a considerable upsurge in the country's economic life, which in turn created better economic prerequisites for the development of science and education and made

the need for more governmental, administrative and pedagogical specialists still sharper. The fact that Alexander Tsankov, professor at Sofia University, became Prime Minister in the new government, was of great importance as he did not hesitate to prove his specific respect for Alma Mater promoting the construction of a new university building that was begun on 30th June 1924.

An extremely favorable effect on the University's overall development was exercised by the New National Education Act which was passed in 1924 and made legal the new Alma Mater's structure. Now the University consisted of 7 faculties embracing 117 chairs. The Faculty of History and Languages had 23 chairs, the Faculty of Physics and Mathematics – 23, the Law Faculty – 17, the Medicine Faculty – 19, the Faculty of Agriculture – 16, the Faculty of Theology – 9 and the Veterinary Medicine Faculty – 10.

And it was during the later 20s of the 20th century that the lecturers of the Law Faculty came up with the idea of introducing a new economic subject into the curriculum, aiming at overcoming the limitations on law students' admission. The next step, quite naturally, was the Faculty Council's Resolution of 25th May 1927 authorising the establishment of a new department – the Department of Economic Sciences. This important resolution was followed by two approving it: the Academic Council's resolution of 1929 and the Superior Education Board's resolution of 1933. Unfortunately, due to a lot of organisational as well as financial difficulties the inauguration of this department was postponed. The economic crisis of 1929 befell Bulgaria but in spite of its ruinous impact on all the spheres of the country's economy could not, in the least, frustrate Bulgarian people's ambition to get both a better and higher education. In six academic years - from 1928/1929 to 1933/1934 the students' number increased as much as one time and a half reaching 7000 - quite an impressive figure in terms of the country's capacity and the Law Faculty was would-be students' choice # 1.

The preserved documents and materials related to the teaching standards at Sofia University during the 30s of the last century give indisputable evidence of the never-ending ambition to update the University structures, curricula and syllabuses in the different faculties. The Academic Council's acts followed the same line of policy, thus favouring the attempts at modernizing and reorganising university education in such a way that it could meet the new requirements of the social and economic developments. A good example of this is the start of the Economic Sciences Department as part of the Law Faculty. In 1938 this idea was realized with the wholehearted support of professor Georgi Manev, the University's ex-Rector and, at the time, Minister of Education. Thus the first 175 students of the new speciality of Economic Sciences were admitted to the University in the academic year of 1938/1939. Sociology, a science considered quite modern at the time, was taught along with subjects traditionally included into the curriculum. This fact, however striking it may seem, shows that the

Academic Council was capable of meeting the new challenges of both science and the real needs of modern university education in the field of humanities.

The inauguration of the Economic Sciences Department coincided with an event of great importance to Sofia University – 1938 marked its 50th anniversary. And following the tradition on such occasions, the academic community summed up their achievements as well as their failures in the course of those fifty years. The rectors' and pro-rectors' reports were greatly appreciative of the work of the Law Faculty as it had most successfully managed to both enlarge and modernize the education process structure, e.g. the Economic Sciences Department taught a number of new subjects, such as: Theory of Political Economy, Theoretical Statistics, Economic History, Economic Policy, State Economy, etc. Their introduction into the curriculum witnesses the Faculty Board's ever-present readiness to welcome the latest achievements of the humanities as well as their inner differentiation. Another essential phenomenon was the strong desire to research the integration capacities of science. A good example in this respect was the Economic Sciences Department's staff who constantly kept in touch with the University Statistical Institute for Economic Research (SIER) founded in 1934, thus making a step forward in the development of scientific research in economics. An achievement of exceptional value were the representative statistical investigations and processing of initial information – the result of exhaustive statistical research. The Institute enjoyed the financial support of BNB (Bulgarian National Bank), the Union of Popular Banks, Rockefeller's Foundation and the Society of Nations. Professor Oscar Anderson, professor Dimitar Mishaikov, professor Zdravko Sugarev, professor Anastas Totev, professor Stefan Spasichev, professor Asen Hristoforov, professor Simeon Demostenov as well as others most renowned scientists worked for the SIER exerting a most beneficial impact on its activities.

After 1944 there occurred some radical changes in the development of university education in Bulgaria. The first most important steps concerning Sofia University's restructuring were taken in conformity with the Higher Education Act which came into force the very day of its publishment in the 153rd issue of the Official Gazette of 5th July 1947. It changed the structure of the University, the former 7 faculties being transformed into ten.

The new law declared the Economic Sciences Department with its 1600 students of the Law Faculty an independent Faculty of Economic and Social Sciences. Sofia State College for Financial and Administrative Sciences with its 2700 students in Sofia merged with it. So the newly founded faculty started functioning on 1st September 1947. It consisted of three departments: the Department of National Economic Sciences, the Department of Specific Economic Sciences and the Department of Statistics and Planning and eight basic chairs of, as follows: Political Economy first chaired by professor Todor Vladigerov and later by professor Jac Natan; Statistics – first chaired by

professor Ivan Stefanov, later by professor Anastas Totev; Economic History and Economic Teachings chaired by professor Evgeni Kamenov, later by professor Kiril Grigorov; The Science of the Single Economy chaired by professor D. Yordanov; Economic Accountancy chaired by B. Berberov, later by P. Bahchevanov; Financial Science chaired by Georgi Svrakov; State and Constitutional Law headed by professor Mihael Genovsky; Labour Law chaired by professor Ilya Yanulov.

In 1948 due to certain subjective reasons the above-mentioned chairs were redivided into eighteen, some of them having but just a few lecturers and practically unable to perform any organizational activities whatsoever. At the beginning of 1949, therefore, there was created a new organizational form, i.e. chair councils joining together several related chairs.

According to the 1947/1948 curriculum the newly founded Faculty of Economic and Social Sciences consisted of the following specialities: Political Economy, National Economy Planning, Statistics, Industrial Economy, Transport Economy, Trade Economy, Finance and Credit, Economic Accountancy. The faculty opened a new speciality – Economy of Agriculture, which, a year later, was transferred to Georgi Dimitrov Higher Institute of Agriculture in Sofia. The faculty's curriculum included the following basic subjects: Political Economy, Theoretical Statistics, Theory and Technology of Accountancy, Economic Mathematics, Introduction to Law, The Teaching of State, Sociology, Scientific Philosophy, Economic Geography, Russian Language and a West-European Language covered by the first year curriculum whereas the second year one included Financial Science, Economic Statistics, Economic Policy, Administration Science, General Economic History, Economic History of Bulgaria, World Economy, etc. The first and second year curricula were the same for the three departments but the third and fourth year ones were different and covered mainly specific and practical subjects, Theory of Economic Planning and History of Economic Teachings being the only basic theoretical subjects taught during the third year. The last two years' curricula of the Department of Specific Economic Sciences was characterized by laying emphasis on teaching the accountancy of various economic branches, e.g. Bank Accountancy, Agricultural Accountancy, etc. as well as Merchandising, Co-operative Law, etc. while the National Economy Department taught specific industrial branches' economies, Branch Statistics, etc.

The Economics Faculty was the only one at the University that offered specializations after the third and fourth years in the following fields of science: political economy, statistics and planning, cooperation affairs, monetary and credit affairs, insurance affairs, organization and accountancy of industrial enterprises. The students of political economy had some additional subjects, such as: The Teaching of Economic Crises (later renamed Theory of the State of Affairs), The Teaching of Money, etc. The curriculum of Industrial Economy

involved: industrial policy, industrial statistics, etc. That was the first step to the formation of more specific economic specialities.

In September 1948 professor Evgeni Kamenov was elected Dean of the faculty, professor Kiril Grigorov – Deputy-Dean, whereas professor D. Dobrev and professor St. Sukmandjiev became associate members of the Academic Council.

The interest in the newly-founded Faculty of Economics was so great that it quite naturally enjoyed the largest number of students – 8316, followed by the Faculty of Medicine – 7489, the Law Faculty – 6458 and finally the Faculty of History and Languages – 4548. The admission tests for the Economics Faculty were in Bulgarian Language and Literature and History of Bulgaria.

No sooner had the Faculty of Economics and Social Sciences been founded than it prepared and published its own Annual Journal, the first volume being printed in 500 copies at the end of 1948. The Annual Journal would publish articles and special studies by both the faculty's lecturing personnel and its outstanding contributors, some of them being distinguished Bulgarian scientists like: prof. K. Grigorov, prof. R. Karakolov, prof. Hr. Popov, prof. D. Dimitrov, etc. The young generation was represented by V. Chochov, V. Tsonev, Hr. Kaligorov, R. Ianakiev, L. Berov, N. Gurev, K. Pergelov, A. Atanasov, S. Ivanov, St. Vasilev, etc., whose contribution to the journal was of great value. The articles were published in Bulgarian and accompanied by a summary in a foreign language – French, German, English or Russian. The Annual Journal of the Faculty of Economic and Social Sciences played a twofold role meeting the lecturers' need of a scientific forum and encouraging the development of Bulgarian economic science.

In 1950 – 1951 there was carried out the second stage of the reform of Sofia University under the Higher Education Act of September 1948.

At their session of 28th May 1951 the Academic Board held a discussion on transforming the Economics Faculty into an independent economic institute. Different viewpoints were presented, the prevalent one expressing the opinion that the faculty should remain part of Sofia University. Vice-Rector Asen Kiselincev's statement expressed his deep conviction that the University would seriously injure its reputation and position in Bulgaria's intellectual life if it allowed to be deprived of its highly reputable Faculty of Economic Sciences. This position of his gained the wholehearted support of professor V. Raduilsky, Dean of the Law Faculty and of professor Hr. Gandev, Dean of the Faculty of Philosophy and History.

However, the representatives of the Economics Faculty on the Academic Council were of a different mind. Professor D. Toshev and professor D. Dimitrov, Dean of the faculty considered the ever increasing growth of socialism would result in a strong need for economists, which in turn demanded the indisputable and immediate establishment of a separate higher institute of economics.

A third standpoint was put forward by Vice-Rector professor V. Georgiev, who thought the separation of the Economics Faculty could be carried out under no other condition but that it should go on functioning by teaching mainly theoretical subjects within the framework of Sofia University.

The final vote showed that 18 members of the Academic Council were against the separation of the Economics Faculty from Sofia University, 4 voted in favour of it, two abstained and one made reservations. So the Academic Council declared their rigid stance against the Economics Faculty's separation from Alma Mater.

In spite of this, unfortunately, by Decree # 1598 of 30th of December 1951 issued by the Cabinet, the Economics Faculty was separated from Sofia University and transformed into the autonomous Karl Marx Higher Institute of Economics. Thus the teaching of economic sciences became impossible thereafter, which was in absolute disagreement with the original plan that the Economics Faculty should remain part of the university. It was only the Political Economy Chair that remained, functioning merely as an administrative unit of the Law Faculty during the early 50s of the XXth century and performing no other than educational and ideological functions at the University.

The Faculty of Economics was reinstated as part of Sofia University under the Academic Council's Resolution of 16th May 1990, which actually meant the continuation of its development forcefully suspended for a period of 40 years. Professor Georgi Chobanov was elected Dean of the faculty and the first 60 students were admitted in the autumn of 1991.

Now the Economics Faculty trains students to get both Bachelor's and Master's Degrees. It had as many as 1781 students during the academic year of 2007 – 2008. The Faculty's Bachelor's courses' curricula provide solid fundamental knowledge in the fields of economics and economic management. The admission tests to these two specialities are as follows: Economics – mathematics and a foreign language (English or French ); Economic Management – mathematics and a foreign language ( English, German or French).

The Economics Faculty offers the following Master's Degree courses:

- Business Administration – strategic management
- Business Administration – Human Resources' Development
- Economy and Management of Tourism
- Economy and Management of the Public Sector
- Managerial Information Systems
- German Studies ( taught in German )
- Management of Human Resources ( taught in English )
- Macroeconomics
- Economy of the Firm
- Finance and Banking

Statistics and Financial Econometrics

Economy and Management of Energy Production, Infrastructure and Public Services

Economy and Management of Education, Science and Innovations

Financial Management ( taught in French )

Actuaries and Management of the Risk

Economy and Management of the Agricultural Sector

Economy and Management of Historical Heritage Tourism

Economy and Management of Buildings and Equipment

Most courses are available in two options depending on the candidates' qualification: one for economists and another one for non-economists, the latter being two terms longer. The following Master's courses are carried out in a foreign language:

A Master's Degree Course in German Studies. All the subjects without any exception are taught in German. The graduates get a diploma of both St. Kliment Ohridski University of Sofia and The Technical University of Dresden.

Master's Degree Course in Financial Management. The training is in French and the graduates are awarded two diplomas: a Bulgarian and a French one of Master's Degree in Financial Management, the first issued by St. Kliment Ohridski University of Sofia and the second by the University of Montesquieu – Bordeaux IV.

A Master's Degree Course in Human Resources Management – a joint programme of the Sorbonne University in Paris and the Economics Faculty at St. Kliment Ohridski University of Sofia. The graduates gain government Diplomas in Management of both the Republic of France and the Republic of Bulgaria.

The Economics Faculty presents an opportunity of obtaining a Doctor's Degree, i.e. a third qualification degree.

The relationships with other countries are one of the Economics Faculty's priorities and they find expression in a lot of activities, e.g. inviting visiting lecturers from Europe and the USA, taking part in international programs of students' exchange, awarding diplomas in cooperation with foreign universities, organizing international seminars and conferences. The Economics Faculty has signed contracts with 23 universities in 11 European countries thus providing its students with the opportunity of getting either one-term or one-year training by the Erasmus Programme.

The universities of Koln, Leipzig, Bordeaux and Lille, have for a long time been partners of the Economics Faculty.

The francophone programme of the Economics Faculty of Sofia University of St. Kliment Ohridski was set up with the most active support of the French Cultural Institute at the Embassy of the Republic of France in Bulgaria.

The successful cooperation of the Economics Faculty at Sofia University of St. Kliment Ohridski with the French universities of Montesquieu – Bordeaux IV and the Lille I Scientific and Technological University in Lille has already been going on for more than 10 years due to the support of the Bulgarian – French Consortium established to help the francophone programme function at its best. Since 2001 the graduates of the francophone programme have been receiving Diplome Universitaire d’etudes francaises de gestion from the Montesquieu - Bordeaux IV University together with a Bachelor’s Degree Diploma of St. Kliment Ohridski University of Sofia.

More than half of the subjects on the curriculum of Industrial Management in German are taught by German professors from renowned universities as the ones in Koln and Leipzig.

Undeniably vital is the role the Economics Faculty plays in the present radical transformation of the Bulgarian society by preparing highly qualified professionals for both the development of economic and management sciences and the needs of the country’s economic growth, its mission being to educate and train economy and management experts needed for the building-up of a market economy and a democratic society in Bulgaria.

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