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# ON SOCIAL REALITY, THEORY AND ECONOMICS EDUCATION

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**Abstract:** The article is an attempt to defend the based on the Seneca's maxim thesis that the present is to fix the past and foresee the future. Employing a broader socio-economic paradigm, it analyses the essence of societal reality and economic reality in particular; the dominance of economic considerations surpassed by time and the necessity for a more comprehensive education in economics. Finally, the solution to the problem is proposed through the enhancement of traditional economic scientific and educational disciplines with interdisciplinary knowledge.

**Keywords:** social reality, education, humanism, economics education, interdisciplinary knowledge.

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## Introduction and statement

*The present is to fix the past  
and foresee the future. (Seneca)*

**T**he topic of this article addresses the problem presented through the title. As an introduction, I will focus on the dual (principled and factual) essence of societal reality – the subject of scientific research and economics education.

**Firstly**, social reality as a living environment is **a multifaceted entity**, far more complex than the economic foundations of life. Crucial are **the ways of technological, economic, socio-legal, and political organization of social activities**. These are not absolute certainties; they evolve under the influence of mechanization, the shift towards mass production, automation, and today – the

ongoing digital transformation labelled for brevity "Industry 4.0." However, an important aspect of reality is also **the behavior of business entities – individuals with their personal and group actions, as well as all institutions through their functions**, reflecting either effective or ineffective strategies and policies concerning the business good faith, performance, law compliance and morality of social actors. **Positive or negative foreign influences** are also not negligible. The presence or absence of **vigilant civil control** is crucial, although often underestimated as a factor.

Given the interdependencies and influences among the constituent parts of social reality, transforming it into a social system, an important conclusion can be drawn. **Neither the problems of individuals nor those of institutions can be solved independently of the societal environment, nor can it be improved without positive behavior from social actors, including reactions from governmental bodies.**

Of exceptional significance in this regard is the role of all formal and informal institutions. Even Confucius called for all of them to instill education, social culture, morality, legality, and justice. During the Renaissance and Enlightenment, which initiated the modern era, the humanistic societal spirit was also advocated. According to A. Smith, **"the strict regime of freedom of action and justice,"** which prohibits licentiousness and irresponsibility, holds primary importance in this regard (Smith, A. 1983, p. 658, 659). This is a fundamental point. Due to human nature's susceptibility to quick and easy success, freedom as a personal and public choice must be accompanied by the functions of independent regulatory bodies that sanction lawbreaking and immoral behavior. In this sense, all institutional functions should also be transparent, accountable, and monitored by independent bodies. In this regard, **quality education is also extremely important – bearer of spirituality, professional qualifications, value orientation, and cultural influence. However, it necessitates guaranteed free access to education, as well as healthcare –** without large personal payments that generate inequalities in access and opportunities.

Generally, the systemic linking of the components of public reality as a form of "social mechanics" should lead to competent professional and civic actions, innovations, infrastructural development, balanced private and public interests, economic growth, societal and personal well-being, and development. It should ensure a good living environment and acceptable civic behavior.

**Secondly**, however, the actual personal and institutional business behaviour of social actors not always represents the positive aspects of public reality. The main reason is that **in the modern era, in the fight against material poverty, there has been a gradual departure from the humanistic spirit of the Renaissance. Economic materialism has taken precedence.** It has been

understood and advocated as adequate to individuals' personal interests and hence as the main force of societal development. Conditions like private property in combination with the commodity and labour market are considered the main mechanisms for social connectivity. Nearly everything has taken on the connotation of capital, which brings profits and wealth to its owners. It has become **the pivotal principle of organizing and directing public activities, leading to the modern era being renamed capitalism. Tendencies toward commercialism, consumerism, and consequently, growing social inequality have surged. The ecological problem has emerged due to the over-exploitation of Earth's resources and pollution, posing dangerous global consequences for the quality of the natural environment and climate.**

This was the path we took after the Liberation. P.R. Slaveykov depicted the deviation of human attitudes from humanism through the metaphor "money-queen," while Aleko did it through the satire "Bay Ganyo". Consequently, due to the one-sided belief that "private property is the source of all evil" and in pursuit of social justice, almost everything became state-owned. However, due to the strict bureaucratic order, personal initiative and responsibility were lost. Plunging into a severe state, financial and political crisis, through total privatization, we oriented ourselves back towards private-market activity in its modern corporate form. This was done, according to folklore, mainly through "baking bread with someone else's dough." Just three years after the coup, the group "Confederation of Big Industrialists" emerged. This is how this process began. A mentality was formed, viewing everything as a business, leading to a desire for power to bring wealth, and wealth to bring power.

Today, according to the weekly newspaper "Capital," with an average annual inflation of 16.9% in 2022, the income growth of all 375 thousand companies in the country is 34%; of the top 300 companies - 50%, and of the largest 100 companies - 60%. Among them are mainly those trading in electricity, gas, diesel, weapons, but also in healthcare services, medicines, and others (Capital, July 21, 2023). As evidenced by a study by researchers from the Bulgarian Academy of Sciences regarding our tolerance for "grey practices" (published in the newspaper "24 Chasa" on November 22, 2022), 40.7% of younger people are inclined to receive untaxed money, while only 30.0% tend to abide by rules. This undeniably serves as **both a factor and an indicator of the qualities of the social, moral, and legal aspects of public life, as well as corporate responsibility.** The tendency is understandable; the young people who are to make their own lives are more susceptible to risky ventures than adults. As emphasized in the Bible, "for everyone who does wicked things hates the light and does not come to the light, lest his works should be exposed." (Bible, 1991, Holy Gospel according to John, p. 1300).

As a result, we are at a dead-end once again. In vain, the renowned economist and sociologist Max Weber once warned: "Beware of living for the sole purpose of possessing." (Weber, M, 1924, p. 37). The data on income concentration and the prevailing mindset are indicative. They explain why we are the only country in the EU where the top 1% of households garners a larger share of the GDP than the combined share of the 40% - the poor and less poor households. We neither like our environment nor ourselves. **It is believed that having has the greatest (if not the only) value, instead of striving to become more than one's current self.** We previously stigmatized "the rich - the exploiters" and aimed, through services, to create a "new man," "always ready" to fight the external enemy. In which we failed. Now, by the law of the pendulum motion, we have started to enrich ourselves materially, everyone as they can. Once again, we ignored what is inherent in people. In fact, ultimately, the problem does not lie in the exclusion of the value of "having" or "being," because for a person "to have" is a means to "be" more as an individual. One is not possible without the other. The same applies to balancing private and public interests as an environment for personal fulfillment, without neglecting one or the other interest. In this balanced environment, it is easier to realize that the quality of being "human" is above all.

**Third. It is clear that we must stop swinging between solely focusing on the private sector and solely focusing on the public sector and must realize that they are not incompatible, but rather have mutual conditions.** Things cannot progress without free private initiative, waiting for directives, and, in the event of failure, solely blaming the authorities. However, a market economy cannot be successful for everyone without competent government leadership, national strategy, developed infrastructure, fair public order and security, scientific research, education, compliance with legal norms, and ethical rules. It is good that today we have not only private but also a large number of state-owned companies with exceptional economic weight. I will mention the Kozloduy Nuclear Power Plant, Bulgarian Energy Holding, National Electric Company, Bulgargaz, Vazov State Machinery Plant, and many others. State entrepreneurship engages in metallurgical, shipbuilding, and other activities, compensating, when needed, for the lack of private initiative due to uncertain profitability. It also assigns certain activities to private contractors. Thus, Aristotle's "golden mean" is formed. **Combining private and public good avoids their extremes – compromising societal well-being from private-owner interests and impairing individual realization when solely following the public interest.**

So, given the positive and negative findings, it becomes clear that we should follow a broader **socio-economic paradigm. This paradigm encom-**

passes economic, ecological, spiritual, social, and normative factors, allowing for their balanced interaction. Only on this basis could the economy provide material prosperity; ecological aspects – conservation of the natural environment; spirituality - culture, innovation, and sense; social and normative elements - virtue, social peace, public order, and justice. It would combine private with public interests, market competition with governance for controlling and regulating businesses, supporting social programs, and reacting against idleness, theft, and malpractice. In short, it would signify achieving a just social order, balancing benefits received with benefits deserved, and reconciling private interests with public order. Overall, in the words of the academician G. Danailov from his speech at the establishment of our esteemed institution in 1936, **this is the social ideal for an organization of the society, that would ultimately ensure the development of the strengths and capabilities of every human being** (Danailov, 1934, p. 23). It is also the promise for successful societal development in the conditions of the modern radical 'Industry 4'."

**The socio-economic paradigm has an impact on and serves as a basis of not only the structure of society but also research and teaching activities. However, this implies an expansion and reorganization of both economic theory and education.** I am convinced that by following this approach, the profile of the D. A. Tsenov Academy of Economics would further improve innovatively.

Therefore, I will attempt to defend this vision conceptually, guided by the maxim of the philosopher Seneca **that the present is to fix the past and foresee the future.** I will focus on the economic aspect of societal activities, the need for a more comprehensive economic education, and finally, the resolution of this issue through a shift toward interdisciplinary research and knowledge in master's and doctoral-level education.

### **On the economic aspect of societal activities**

*The ideal of progress transcends economic considerations. (A. Toffler)*

It is well known that in economic terms, public activity is an ongoing process that provides vital goods and services. This represents a fundamental economic aspect.

**Firstly**, every production process is comprehensive, encompassing organizational, technical, technological, economic, social, and other facets. **It is crucial to understand its economic essence. This is because its features exist both in a narrow and broad context.** Narrowly speaking, on the one hand they

lie in prioritizing needs in line with available resources, considering their limitations; on the other hand they aim to maximize utility while minimizing the resource input, thereby maximizing benefits and ensuring resource efficiency. This maximization of benefits and resource conservation is a manifestation of effective management and better fulfillment of needs. It is about good management and satisfying needs more fully. Hence, our field is termed economics or economics science.

**In a broader sense, however, economic features are inherent in non-economic phenomena and processes, while economic goods acquire non-economic positives.** There is no scientific research, education, arts, healthcare, public order, defense, entertainment, etc., without the use of limited resources, subject to the principle of economy. Therefore, every activity has an economic aspect and a price. Conversely, the economic aspect acquires non-economic traits such as technological advancement, knowledge-intensive nature, environmental impact, compliance with laws, morality, and even aesthetics. There is an inevitable intertwining of the economic with the non-economic, enhancing the quality of goods and services and facilitating their easier realization - an expression of societal validation of economic activity.

**Secondly, at the same time, two key features of economic development hold significant importance. The first is the transformation of capital accumulation into the pivotal principle of economic activity.** By generating jobs, goods, and income, capital owners achieve profit as a kind of "price" for its use, partially or wholly turned into capital growth. However, the pursuit of profit has a shadowy side. According to Max Weber (1864–1920), making a good profit has become the dominant sense of life (Weber, 1993, p. 40). Our first economist, Iv. Bogorov (1820–1892), was right to emphasize that when everyone thinks only of themselves, it inevitably becomes a moral problem (Bogorov, Iv., 1983, p. 212). Thus, income and opportunity inequalities grow, ironically referred to by Yuval Noah Harari as the "fly in the ointment of capitalism."

At the national level, the pursuit of profit takes the form of GDP growth. Joan Robinson (1903–1983) sarcastically calls this indicator the "chief yardstick," while the historian of economic thought, Mark Blaug (1927–2011), termed it the "gospel" of economics and state policy. It is not that GDP growth is unimportant; the issue lies in its hypertrophy. A humorous anecdote expresses it well: A servant of God wanted to enter heaven. However, St. Peter, the gatekeeper, stopped him, saying, "Wait, I see you are a good person, but first, tell me, do you have a contribution to economic growth if you want to be in heaven?" Fuelled by annoying advertising, the pursuit of material possessions, not out of necessity but for prestige, limits the significance of everything else. Following this path, some universities entice prospective students with majors

that promise high future salaries rather than nurturing their inclinations. This is a clear manifestation of our deviation from the spirit of humanism.

**The second key feature of economic development revolves around the issue of whether the state of the economy defines spiritual and governmental life or vice versa – whether they guide economic development through the unifying role of spiritual culture, legal governance, etc.** Historically, during underdevelopment, the material interest understandably reigns supreme. However, this leads to subjugation of spirituality and the norms of public behavior. As society matures, an interest in spirituality gradually takes precedence. Through education, cultural elevation, and adherence to norms and rules of public conduct, spirituality becomes a resource for everything, including material success. There exists such a reversal, particularly today, but it is also accompanied by **the necessity not for economic subordination, but for the coordination of the material, spiritual, and normative aspects. We cannot do without resources. Without knowledge, there is business and managerial weakness. And without legal and moral norms, there is no justice or humanity. In fact, through the direct and reverse interactions between the economic situation, spirituality, and the norms of the legal-governing social order, their mutual influence and support are established.** Dimitar Tsenov, the founder of the Academy of Economics in Svishtov, recognized this interconnection and contributed accordingly.

**Thirdly. It is clear that the cohesion of public activities is of paramount importance.** As an example at the local level, I will mention collective sports, theatrical performances, and others. If even one participant constantly fails, even if the rest are perfect, everything fails. The same applies to the social structure. It is productive only if there is a common purpose and a shared strategy. Even just one structure, such as the educational or judicial system, can undermine the entire social structure. It is wrong to blame it, as some currently do in our country, blaming democracy for everything.

The mutual regulation of processes in both the human and societal organism is known as **homeostasis**. It is the vital dominant—expressive of the interconnectedness of **all regulatory processes based on direct and reverse feedback and interdependencies between human organs that coordinate, regulate, and sustain life. As a principle, homeostasis is valid for the societal organism, involving not only dependencies on the state of the economy but also the economy's dependence on the social environment, including the arbitrating role of legal and moral norms, customs, and traditions. Thus, by maintaining dynamic equilibrium and stability in everything, homeostasis ensures social integrity.**

All of this clearly shows that societal development preserves the fundamental significance of the economy in terms of human existence. However, as emphasized by A. Toffler, economic considerations are transcended. This proves the well-known thesis of scholars such as V. Pareto, E. Durkheim, T. Parsons, and J. Schumpeter about **the need to maintain a balanced value of economic, social, spiritual, and legal and political life. Thus, they mutually presuppose, correlate, complement, and correct each other toward social harmony.** Not coincidentally, our eminent sociologist Prof. G. Fotev referred to this approach as a "master key for all locks." (see: Fotev, G., 1993, vol. II.). Hence arises the challenge posed by societal reality to economic research and education in economics.

### **On economic theory and education in economics**

*A man is not likely to be a good economist if he is nothing else (John Stuart Mill)*

The necessity to comprehend specific societal phenomena and processes naturally led to the division of social sciences into distinct scientific disciplines based on subjects and methods of study. This was also the case for economics. Initially, economic knowledge, as Political Economy, included some knowledge in economic history, statistics, and demography. Subsequently, they evolved into separate disciplines alongside Economic Accounting. Later, disciplines like Economic Geography, Informatics, and Economic-Mathematical Modeling emerged. This is a natural evolution pattern for any science. However, there is a problem arising **not from the separation of social sciences but from the fact that each of these distinct social sciences studies its subject without satisfactory or lacking connections to the knowledge attained by other social sciences, which shed light on economic phenomena and processes in some aspect.**

Firstly, this weakness has been acknowledged for a long time. John Stuart Mill (1806-1873) argued that **"a man is not likely to be a good economist if he is nothing else"**. According to the sociologist E. Durkheim (1858–1917), **understanding economic phenomena and processes requires studying their technological, ecological, spiritual, social, and political environments because of their influence on economic activities.** Academician G. Danailov also emphasizes that **economic science, initially focused on material needs, now leans on the spiritual, which has gained superiority. Language, education, religion, morality as norms and rules of behavior connect people and provide predictability to their relationships. Customs and law crystallize them into tolerable forms and boundaries. Considering**



**this, academic Danailov concludes that economic theory must have a close connection with these aspects (Danailov, 1934, p. 2, 12, 23).**

**Therefore, for adequacy in reality, a guiding basis for economic theory and education, and also for its management, a systemic approach with its characteristic network principle must be adopted. It is an essential aspect of the analytical socio-economic paradigm. This implies that economic research and education should consider both the state of the social environment and the knowledge attained by other social sciences concerning economic phenomena and processes.** As we will see later, with such input-output connections, economic science can supplement its own knowledge with insights into the economic techniques and technologies used, particularly from areas in other social sciences such as Statistics, Economic History, Law, Sociology, Psychology, Ethics, Anthropology, Political Science, etc. **Of course, these connections depend on the extent to which other social sciences acquire knowledge about their own subjects, which also relate to the economic domain. The functioning of the economy and the knowledge about it should be interpreted in this manner.** Otherwise, if economic theory remains closed off, the knowledge derived from it could not be methodologically and meaningfully comprehensive.

**Secondly,** through specific input-output connections between economic theory and other social sciences, one can more fully and accurately account for, on the one hand, the influence of the social environment on economic agents, motivating and modifying their behavior either positively or negatively. On the other hand, it becomes possible to assess how this change positively or negatively affects the social environment. It is not a secret, for instance, that some business actors legitimately pursue their goals, while others burden the environment with injustice, conflicts, and instability due to competitive motives. Material possessions are insistently instilled by advertising temptations, not out of necessity but for prestige. Hence, the economy might appear as a "devil's system." It is thought that everything is accounted for, but the unexpected occurs, which Nassim Taleb metaphorically calls a "black swan." Consequently, **the pursuit of societal well-being transforms into an excessively meritorious private "prosperity," leading to an ugly social environment, disintegration, and social crises.**

**Thirdly, considering these facts, it is imperative for the subject areas within the social sciences to mutually open themselves to borrowing their scientific and educational knowledge. The lack of such connections affects their explanatory value and predictability. In this sense, they require mutual methodological and subject advancement.**

This problem has been addressed by the notable economist Joseph Schumpeter (1883–1950) in his works "The Theory of Economic Development"

and "History of Economic Analysis." He rightfully emphasizes that the reasons for societal reorganizations are complex. He finds the past intellectual achievements of various branches of economic science to be insufficient. They need to be more comprehensive both in terms of meaningful interpretation of realities and greater applicability. (Schumpeter, 1999, p. 407.) That is the case. Otherwise, students would have to establish the mutual connections and dependencies between the studied disciplines themselves, which is unattainable for them.

To summarize, in its current form, economic theory does not provide us with sufficiently broad explanatory boundaries of the economic "coexistence" with other phenomena and processes. Emphasis should also be placed on the non-economic context in which society functions and progresses. **It is necessary for both economic theory and education to rely on interdisciplinary knowledge, enabling the expansion, deepening, and achievement of a comprehensive understanding of socio-economic knowledge, aiming for more reliable solutions for the systemic, structural, and functional state of the economy and society itself.**

### **Towards advancing interdisciplinary knowledge in economic research and education**

Considering the duality of social reality as economic and non-economic, the adequate basis for its study is the socio-economic paradigm. It encompasses factors of economic, ecological, spiritual, social, and normative nature. This enables the enhancement of subject knowledge in economics through interdisciplinary knowledge, thereby achieving more reliable solutions for the systemic, structural, and functional state of the economy and society itself. In fact, this signifies an expansion and reorganization of both economic theory and education in economics.

**Interdisciplinary knowledge expanding directly from economic studies is a synthesis of knowledge derived from various scientific and educational disciplines. Its content relies on the degrees of mutual influences, dependencies, and connections between their subjects: on one hand, among branches of the social sciences, including economic science, and on the other, with the development of technologies, ecological equilibrium, and environmental issues. This is the knowledge relating to different aspects of economic activities, the behavior of social actors, and the effects of their activities. This knowledge does not displace but complement and build upon existing scientific and educational disciplines with new knowledge achieved in other areas but affecting the economy and the behavior of**

**economic actors. This enables a more comprehensive explanation of economic phenomena and processes, the state of society, individual, group, and social behavior.**

There have already been attempts to establish interdisciplinary knowledge, including in our country, as well as in the Academy of Economics. This involves studying the direct and reciprocal influences and dependencies between phenomena and processes studied by specific scientific and educational disciplines. This is achieved through certain approaches. One such approach is **within the boundary of overlapping economic disciplines**. Through it, knowledge is established that clarifies the mutual connections, influences, and dependencies, firstly, between Economics as a professionalized general economic theory on one hand, Economic History (from a temporal perspective), and Economic Geography (from a spatial perspective) on the other hand. Furthermore, secondly, knowledge about the connections, dependencies, and mutual influences between General Economic Theory, sectoral and functional economic disciplines, such as Economics of Industry, Accounting, Statistics, Finance, Marketing, and so on, are established.

Another popular approach clarifies **the mutual influences solely between a given non-economic science, whose subject concerns the conditions of activity or the behavior of economic actors**. There are already such interdisciplinary courses, even journals like "Sociology and Economics," gaining popularity. The following educational disciplines are popular:

- **Law and economics** – to reveal the significance of legal norms as a state framework and form of organization of economic activity, but also conversely – the impact of individual economic behavior necessitating changes in legal norms. (There is a journal titled "Law and Economics: A Bimonthly Journal for Legal and Economic Theory").

- **Economic sociology** – to shed light on the social causes for the state and development of the economy, as well as their effects on public life.

- **Economic anthropology** – to explain human nature as a behavioral factor in the production, distribution, exchange, and consumption of goods.

- **Economic psychology** – to clarify human psychology as a factor in economic behavior in terms of motivation, attitude, satisfaction in engagements, and in group business interactions or competitive confrontations.

- **Culture and economy** – to investigate material and spiritual values as socio-cultural behavioral factors in societal relationships. (Studied at Ruse University from the perspective of our European integration)

- **Ecology and economy**. (There is a published book by "Zemizdat," Sofia, 1999, 237 pages).

There are other similar courses.

A significant part of the two-volume study in English by Greenaway, Blini, and Stewart is dedicated to the interdisciplinary issue. (In Russian translation: " Panorama ekonomicheskoy misli kontsa XX stoletia," in two volumes, volume 2, 2002). They investigate the connections: first, between disciplines like Economic Geography, Economic History, Accounting, Statistics, and others; second, between economic knowledge and knowledge in psychology, political science, and law. The research by M. Shabanova under the title "Sotsio Ekonomiks kak nauka i novaya uchebnaya distsiplina" (Shabanova, 2006) shares similar insights.

Moreover, interdisciplinary knowledge is also achieved through one or two academic disciplines that summarize significant external influences on the economy. Such a science is **Socioeconomics** – highly suitable for us. According to Amitai Etzioni, a sociology professor at Harvard, **Socioeconomics synthesizes economic, sociological, legal, and managerial-political knowledge that shapes both the societal context and human reactions** (Etzioni, 1990). There's also **Socionomics**, founded by financial analyst Robert Prechter, which blends economics and financial markets tools with those of psychology and sociology (Prechter, 1979). A new science initiated by E.O. Wilson is **Sociobiology, relying on data from genetics, evolutionary theory, and social psychology. It argues that the biological origin in humans is a fundamental factor in their behavior, but morality and the cultural environment tend to become more important.** Similar is **Biopsychosociology**, forming the biopsychosocial paradigm of "individual-society" relationships.

I am aware that **this synthesis is difficult, requiring in-depth research work worthy of the highest academic degree. However, it is imperative for the world's transition to postmodernity, overcoming the individualistic-materialistic essence of the modern era. It is time for a change.**

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- a/ John Stuart Mill insisted on not neglecting the connection between economic development and the social changes it brings forth.
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# ***ECONOMIC ARCHIVE***

**YEAR LXXVI, BOOK 4 – 2023**

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## ***CONTENTS***

### **Metodi Kanev**

On Social Reality, Theory and Economics Education /3

### **Antonio V. Dichev**

Discriminative Ability in Estimating Probability of Default with Certain Machine Learning Algorithms /16

### **Yordan S. Yordanov**

Possibilities for Overcoming Issues in the Phase of Old-Age Pension Payments from an Universal Pension Fund /28

### **Ventsislav Dikov**

Intellectual Capital and Market Capitalization of Public Companies /46

### **Andrey Zahariev, Atanas Atanasov, Galina Chipriyanova**

Finance and Economic Accounting – Faculties, Scientific Research and a 70-Year Tradition /66