

ECONOMIC CONFLICT MANAGEMENT EDUCATION IN BULGARIA – CURRENT STATE AND CHALLENGES IN THE PRISM OF INDUSTRY 5.0 AND THE DISRUPTIVE TECHNOLOGIES

Dr. Ivaylo B. Ivanov, Assoc. Prof.
University of National and World Economy

Abstract. The systematic study of economic conflict issues began in the late 1950s. most especially in the United States and Western Europe. The Economic Conflictology is not well developed and is not yet fully consolidated scientific and educational field. In Bulgaria, economic conflict science is developing unevenly. It can hardly be identified against the background of its similar scientific disciplines. For more than two decades, some departments in economic universities are developing this scientific and pedagogical field. They have been applying and improving models for creation and development of a basic economic conflict culture of the students trained in the Bachelor's and Master's degree programs. What are the basic model ideas, what the general results from its applying and prospects for its development are? How this training model contributes to the modernisation of economic education? Finally, how would training in economic conflict studies contribute to an effective transition to Industry 5.0 and addressing the conflicts that disruptive technologies create? These are all types of the questions which this article attempts to answer.

Keywords: education; conflict management; economic conflicts; conflictology; industry 5.0; disruptive technologies

1. Introduction

Nowadays, the interrelationships and dependencies between its building elements are becoming increasingly complex and diverse. This process leads to an increasingly tangible and profound differentiation in the needs and interests, motives and values of different individuals and social groups. Differences between people, their motives and interests are the basis for the emergence of various conflict situations. Conflict, understood in its broadest sense, is undoubtedly a universal phenomenon in the social system and, as such, can and should be studied by a universal science such as Conflictology. Contemporary scientific disciplines including Conflictology are the product of intensive differentiation and integration of scientific

knowledge. In the last decades, unique destructive processes have come upon the Bulgarian society, which are also pushing Conflictology to the forefront. The issue of the relationship of conflict to education has long been the subject of research (Davies 2004).

While in Management, both as a science and as a practice, conflict knowledge has long since taken its deserved place, this is not the situation in the field of higher economic education.

Why is change needed in this regard? Why economic conflict studies need to come to the fore and what it can do to bring about a much-needed change in the attitudes and actions of learners? How to do that?

A possible answer is given by the innovative model of conflict education applied in some departments in the main three economic universities during the last two decades in Bulgaria. Its philosophy, the summarized results from the application of the model give grounds to argue that higher economic education needs modernization in the direction of applying modern approaches and tools for the study of economic conflicts and their effective management and resolution.

Why is such an approach required? The simple answer is – external environmental factors are forcing a change in the traditional models we rely on.

Klaus Schwab defines them in its fundamental book “The Fourth Industrial Revolution”. He argued that the “Tectonic shifts in all sectors of the economy, marked by the emergence of new business models, the disruptive impact on traditional industries and the restructuring of production, consumption, transportation, and delivery systems, are taking place before our eyes. At the same time, a profound paradigm shift is underway on the public relations front about how we work and communicate, express ourselves, inform ourselves and entertain ourselves“ (Schwab 2016).

Do the Conflictology sciences and teachers and our students have the conflict readiness to deal with these challenges? Does classical higher economic education meet the demands of a rapidly changing economy?

The main goal of the article is to define the basic characteristics of Model of Economic Conflict Culture Creation for the purpose of development the economic conflict education in Bulgaria.

To achieve this goal, the following tasks were solved:

The extent of development of economic Conflictology in Bulgaria was studied.

The extent of development of economic Conflictology education in the country was studied.

The main characteristics of the Model of Economic Conflict Culture Creation (EC3) are defined.

The methodology used is based on the content analysis of current publications on the topic, content analysis of teaching documentation, observations, reference to good practices, participation in the training of students and research of bottlenecks in the process of development of economic conflict education in Bulgaria.

The numerous problems that stand in front of the overall modernization of higher education in Bulgaria and the characteristics of the environment in which this process is realized, gradually pushes to the forefront issues related to the methodology and content of training in the field of conflict studies in general and economic and managerial conflict studies.

2. The Economic Conflictology Science in Bulgaria – current state

Ivan Tsanov (Tsanov 2015) is one of the very few scientists who studies the degree of development and the state of Economic Conflictology specifically in Bulgaria. Agreeing with Tsanov that the Conflictology is an emancipated management science, possessing exceptional heuristic potential we accept the thesis that "...The object of Economic Conflictology can be defined as the totality of the entire diversity of economic conflicts. Its subject is the nature, structure, forms and dynamics of economic conflicts, and their prediction, prevention, and management...Economic Conflictology is constantly expanding its research, educational and institutional data bases - mostly in the US. There, however, the term "Economic conflictology" is replaced by the concept of "Economics of Conflict" (Tsanov 2015, p. 116).

Here is accepted the common views on the economic conflicts, how they are revealed in the monograph "Conflictology" of prof. Dimitar Y. Dimitrov. He postulated that "The economic conflicts were similar, but in no case are they identical with labour conflicts in terms of content and conceptual meaning. Economic conflict covers the whole range of economic relations in society and conflicting relationships between individuals and different groups and the community in relation to them. The economic conflict as such covers all the economic relations within a society and all the conflicting relationships between the individuals, the different groups and the community in relation to them. Economic conflicts are characteristic of all areas (manufacturing, distribution, education, trade, internal affairs, and international relations, etc.) and levels (ranging from a conflict between a family and the social services concerning the so-called social benefits, to conflicts between a municipality or district and state administration on a wide range of economic problems) of human activity and interaction..." (Dimitrov 2004, pp. 109 – 111).

As again Tsanov concluded "...In Bulgaria, Economic Conflictology recently made its first steps and now the first encouraging instances of success can be detected. Some scientists and researchers are beginning to understand the enormous theoretical and practical significance of the problematics of economic Conflictology and are starting to direct their attention and efforts to its study and research. The research of more and more Bulgarian authors into this area is not limited to theoretical assumptions about the nature and characteristics of economic conflict, but also seeks ways and methods for making technological and praxeological use of conflictological knowledge, although there is a certain deficit of scientific works about the degree of development of the theory of economic conflict and especially about its systematic

and methodological analysis.” (Tsanov 2015, p. 117). In his older studies (Tsanov 2014) he reveals the determination of the economic conflict issues with the main economic theories and points of views of their most prominent representatives.

The presence of another trend in conflict studies in Bulgaria is also impressive. The focus on managerial aspects of conflict management in recent years. It is necessary to note this trend and further research because it has an indirect relation to the improvement of the quality of education in general and economic Conflictology. The impact is indirect, through the transfer of adapted conflict methodologies in Bulgarian social and business practice. Specific aspects of conflict management in Bulgaria are studied by Mihailova I (2022).

Undoubtedly, the current theory and practice of conflicts and their management cannot and do not claim to be a panacea for the palette of problems that today’s environment and internal conditions in organizations present. It is widely agreed that the needs of social practice today are significantly anticipating the development of conflict theory. These practical needs demand new approaches, conceptual schemes, and practical solutions (Stoyanova 2014, p. 13).

However, the objective needs of Bulgarian society and higher economic education leave no time to waste. The question regarding the practice of economic conflict education needs answers.

3. Higher Economic Conflictology Education in Bulgaria – current state

From a pragmatic point of view, it should be acknowledged that the issue of conflict, and economic conflict, has occupied and will occupy an increasingly significant part of the training of contemporary business leaders. Increasingly, leadership development programs in business organizations include training (courses) on conflict resolution. Somehow naturally, the development of these leaders includes, in addition to acquiring knowledge of communication, negotiation, management and motivation, the issues of dealing in and with conflict situations. In other words, creating an adequate conflict culture for the leader, and the employees and workers, becomes a priority for any self-respecting modern organization. In line with this, there is an objective need to update the training of students in the Bachelor’s and Master’s degrees in the fields of Economics, and Administration and Management in the direction of creating knowledge and acquiring skills for adequate management and resolution of different types of conflicts in organizations.

The thesis is that the modern conflict education of students from economic universities is a prerequisite for a significant increase in the quality of their overall preparation and practical readiness for effective management in various professional and real-life situations.

The fact that conflicts play their essential role in the day-to-day life of humanity and directly impact the functioning and development of any socio-economic system is today recognized by all.

An option for finding answers to the questions outlined so far lies in conflict education. Conflict education refers to the acquisition of a set of theoretical knowledge, technological skills and habits that enable people to organize their communication in a civilized manner in any social environment. Together with this, to find workable options for overcoming the contradictions, inconsistencies and tensions that arise between them.

Therefore, conflict education, on the one hand, appears as a component of the general education of a person, which gives a general cultural development. On the other hand, it is an education that puts concrete tools (social technologies) for conflict management and resolution in the hands of learners.

Why is economic conflict education needed? The simple answer is that for countries like our own, where cardinal changes in the socio-economic sphere are essentially incomplete, knowledge of various tools for studying and resolving socio-economic conflicts proves to be of particular importance. The continuous development and evolution of market conditions in the country, along with their parallel partial deformation, determines the existence of an even richer variety of conflicts and, as a consequence, pushes to the forefront the pressing need to study them, especially in order to develop adequate methods and tools for their foresight and resolution.

Conflict management is beginning to occupy a central place in the work of the modern manager and economist, and participation in their resolution is becoming an integral part of the overall activity of experts and specialists with economic education. Even management, not only as a science, but especially as a practical sphere of realization of this specific human activity, itself appears as a field generating and guaranteeing conflicts. Conflicts within the organization are inevitable. One of the largest studies in the field by consulting firm CPP Inc. in 2008 found that 85% of employees had to deal with conflict, and 29% of them succeeded – “always” or “often”. The existence of conflict is a fact that cannot and should not be ignored. They should be accepted as an integral part of the interaction between individuals and groups in an organization (CPP Inc. 2008)¹. Therefore, the conflict competence of the manager, as well as of the experts and specialists with whom he works, is key to the optimal realization of the overall activity, not so much in principle as in the dimensions of the specific business organization. This type of competence becomes an integral, even leading element, part of the general competence of each human personality, along with the necessity of possessing the necessary levels of competence in the economic, legal, psychological, etc. areas, set out in the qualification characteristics of each specialty.

In relation to what has been said so far, the key issue for future economists and managers, for people in real business and administration is to see that conflicts have become the norm of life, an integral part of it. For this reason, each of them should have their own, minimal, applicable and workable tool kit for the study (research) of the conflicts surrounding them, occurring in the course of the realization of their specific work activity. The use of such a set of tools could significantly improve

the results of the work performance of every manager, employee, and worker in Bulgarian organizations. And not only in terms of the specific job they perform, but also and above all in terms of their realization as individuals – part of the human capital of the respective organization in which they work. These are personalities acquiring a specific competitive advantage, adding significant value to their employers. Along with the necessary minimum of conflict knowledge, people should acquire and develop the skills and habits needed to cope with the numerous contradictions and conflicts they will inevitably encounter not only in their work and management, but also in their social practice (life path).

Since we are discussing the conflictological foundations or the systematic inclusion of conflict issues in higher economic education, the formal presence of conflict issues in the curriculum documentation of higher education institutions in Bulgaria is a limitation to the first-order analysis. Excluded from the analysis are the various qualification courses related to conflict management, which are organised by the relevant university structures. It means vocational trainings and postgraduate qualifications. Universities that have economics departments or economics faculties are not included in the study. Their achievements in the field of conflict education are planned to be the subject of a separate study.

Analysing the available information on the general content of the educational documentation (qualification characteristics, curriculum, and programmes of study) in the three economic universities in Bulgaria – Economic University-Varna (EU), Academy of Economics “Dimitar A. Tsenov” – Svishtov (SA), and UNWE – Sofia (UNWE), the presence of conflict disciplines was found as follows:

Table 1. Availability of university courses on conflict studies in the curriculums of the three economic universities in Bulgaria – Bachelor’s degree (in Economics and Administration and Management fields of study)

University	University degree programme	University course	Department
SA	Economic Management	Conflict Management (https://bit.ly/3k12X6y)	Management
EU	Management	Organizational Conflict and Stress Management (https://bit.ly/3IHtHcw)	Management and Administration
EU	Public Administration	Conflict Management and Anti-Corruption Practices (https://bit.ly/3E9dYcF)	Management and Administration
UNWE	Economics of Defence and Security	Conflictology in Defense and Security (https://bit.ly/3lvZtJv)	National and Regional Security
UNWE	Economic Sociology and Psychology	Sociology of Conflicts (https://bit.ly/3YTI39c)	Economic Sociology

UNWE	Ecoeconomics	Ecological Conflicts Management (https://bit.ly/3YOzfAq)	Economics of Natural Resources
UNWE	Industrial Business	Conflictology	Industrial Business
UNWE	Business Economy	Business organization's conflicts (https://bit.ly/3Is0VpA)	Industrial Business
UNWE	Business Administration	Conflictology (https://bit.ly/3KacToX)	Management
UNWE	Public Administration	Conflictology (https://bit.ly/3l2kEe3)	Public Administration
UNWE	Regional Development	Conflictology (https://bit.ly/3l2kEe3)	Regional Development

Excluded from the analysis are the other professional fields of study such as Sociology, Anthropology and Humanities; Public Communications and Information Sciences; Law and Political Science. This is because the priority focus is on economic and managerial conflicts and the development of the Economic Conflictology in Bulgaria.

The situation is almost identical in Master's programmes. Conflict disciplines are not identified in SA and EU universities. At the UNWE the following ones are available:

Table 2. Availability of university courses on conflict studies in the curriculums of the three economic universities in Bulgaria – Master's degree (in Economics and Administration and Management fields of study)

University	University degree programme	University course	Department
UNWE	Business Administration	Conflict Management (https://bit.ly/3lCdSUJ)	Management
UNWE	Migration Processes Management	Management of Migration Crises and Related Conflicts (https://bit.ly/3l2b6zE)	Management
UNWE	Defense Economy and Security with Specialization "Corporate Security"	Management decisions in Conflict Situations (https://bit.ly/3lrbCss)	National and Regional Security
UNWE	Defense Economy and Security with Specialization "Corporate Security"	Conflictology of Corporate Security (https://bit.ly/3lrbCss)	National and Regional Security
UNWE	Economics of Defence and Security	Conflictology (https://bit.ly/3ZaoQzp)	National and Regional Security
UNWE	Business Leadership	Conflict Management (https://bit.ly/3K6wO87)	Industrial Business

UNWE	Business Economy	Conflictology Researches (https://bit.ly/3YMQNC)	Industrial Business
UNWE	Business Analysis and Projects	Conflictology Analysis (https://bit.ly/3k05zl7)	Industrial Business
UNWE	Agribusiness and Rural Management	Conflict Management (https://bit.ly/3xmQUB)	Economics of Natural Resources
UNWE	Consulting and Project Management in Small and Medium Enterprises	Business conflicts in small and medium enterprises (https://bit.ly/410GI11)	Economics of Natural Resources
UNWE	Business Logistics and Supply Chains	Conflictology in Logistics (https://bit.ly/3K9q7IK)	Logistics and Supply Chains

The content-based analysis highlights the general characteristics of the economic conflict education model. The analysis allows to identify the trends and problems in the teaching of economic conflict studies in the economic universities in Bulgaria. The application of the deductive approach in this case aims to provoke a discussion that will ultimately be a catalyst for the overall development of Economic Conflictology in the country.

4. The Model of Economic Conflict Culture Creation (EC³) characteristics

At that stage of development, the efforts are focused mainly on the demand for integrative conflictological models to explain economic conflicts and their efficient management. It relies on a combination of achievements and tools inherent in modern economics, management, and conflict studies. It combines traditional learning models with modern social technologies provided by the science and practice of conflict management.

The best possible conflictological approaches and practices are followed. Relevant literature is published. Monographic studies are conducted. Course and diploma theses of a conflictological nature are developed.

Teaching work is currently focused on upgrading and improving all the established conflict studies courses, which are presented in the tables above. It is these that are called upon, based on the in-depth study of the available conflictological knowledge, to help prepare the students in training in the departments to acquire knowledge about Conflictology as a science. To learn more about the existing scientific and practical approaches to solving problems arising from various conflict and crisis situations and ultimately to master them. Tangibly increase their conflict culture, which contributes to successful implementation in their own professional activities. To develop a specific management culture of trainees, along with the skills to independently research, evaluate, analyze, and resolve conflicts. And finally, on a personal level, to enable everyone to independently find his or her own successful path to achieve his or her goals and aspirations, along with acquiring the

skills to overcome complex life situations. From a practical point of view, these disciplines extend the rational approach to the specification of Conflictology in applied research and continue the development of knowledge in the field of this science. These disciplines support the creation and approbation of technologies for conflict resolution in different spheres of social life. An important area of development in the field of study in the field concerned is the gradual shift of emphasis from general Conflictology to Economic Conflictology. In addition to the classical teaching methods, several more modern practices that have proved their suitability, such as problem-based lectures; discussions; case studies; practical training in concrete sites, as well as other modern forms, are being increasingly and thoroughly applied in training. This will create even better conditions for moving from traditional, classical to problem-based learning or "learning in action". The development of conceptual and now practical models for conflict and mediation structures (organizations) for conflict resolution, tailored to the Bulgarian context, is already a fact.

For Bulgaria not to fall behind in the next industrial revolution, we need to know what it is. The lesson of the First Industrial Revolution is still valid today – the main factor of progress remains the degree to which a society is ready to embrace the innovations inherent in any era (Ivanov and Molhova, 2023). In the context so far, it will be of utmost importance to build on economic conflict education with the issues of Industry 5.0 with its inherent characteristics - exponentiality, subversiveness and convergence. This whole process should undoubtedly be bound to the strategies and policies for supporting the development of AI technologies (Molhova and Biolcheva 2023) in the context of conflict education. It is necessarily in the future, when developing the described model, to include elements involving conflict aspects of organizational culture and its analysis and evaluation. In this case the approach applied by K. Dimitrov (Dimitrov 2013) would be particularly productive. In this whole context, it is imperative to consider how the ongoing digitalization and the implementation of the circular economy concept in practice affect the content of the conflictological culture being built in students. Some of the answers are given by N. Sterev (Stereov 2023). The global energy crisis of 2021 – 2022 is unprecedented in its depth and complexity, with significant market, political, and economic implications worldwide. This topic also has a significant impact on economic conflict theory and practice globally and locally. Given the extremely interconnected nature of the globalized world economy, it is causing far too much disruption to global and critical regional energy markets. One of the most significant underlying causes of the current energy crisis is the growing political rivalries, simmering open conflicts and disputes, including armed ones, that are increasingly linked to and interacting very closely with the global geopolitical crisis. An excellent starting point for analysing needed changes in training is the article "Testing the Premises of International Society in the European Energy Union: The Pluralism/Solidarism Nexus" by (Stefanova and Zhelev 2022).

Only in this way this discipline would fulfil its mission – to help optimize the functioning and development of the society in which we live together.

In this way, conditions would be created for carrying out large-scale scientific research of a theoretical and applied conflictological nature; developing, implementing and supporting strategies, programs and projects related to the development of economic and industrial Conflictology in Bulgaria; participating in local, regional, national and international initiatives of a conflict nature; holding scientific conferences and seminars; organizing and implementing specialized training courses for managers and specialists; providing advisory assistance; preparing and publishing scientific and educational literature; exchanging information and all other related activities. Good practices in this direction are also found at the Faculty of Economics of Sofia University, where Dr Ivanka Mihaylova established her own conflict research field.

The way forward is the model of economic conflict education to be approbated and disseminated in all universities where economics specialists are trained.

5. Conclusions

The creation of a system for conflict education in Bulgaria, as well as conceptual and practical models for conflict and mediation structures (organizations) for conflict resolution, tailored to the Bulgarian specificity, is still in its initial stages. Institutionalization of Conflictology as a separate scientific and educational discipline in education is still in its early stages. The confident steps in this direction by economic universities give hope that the situation can be quickly changed in a positive direction.

The content-based analysis highlights the general characteristics of the economic conflict education model. The analysis allows to identify the trends and problems in the teaching of economic conflict studies in the economic universities in Bulgaria. On that base a Model of Economic Conflict Culture Creation (EC3) adopted for the Bulgarian conditions is suggested.

The creation of an active conflict culture in students studying conflict studies is an alternative-free process. Conflict culture, as a part of the overall professional culture of the individual requires even more intensive and fruitful work on the expansion of the students' worldview in the direction of the development of all three elements constituting it – conflict competence, conflict competency and conflict readiness. This is an option to naturally solve some of the problems not only of higher education in Bulgaria, but also to gradually raise to a qualitatively higher level the contemporary economic and management practice in Bulgaria. Bulgaria's economic development model has historically been based on low wages and a lack of emphasis on education. However, the current scenario is changing, as many sectors are grappling with a shortage of skilled labour. Despite the challenges, there are evident prospects for economic growth in the evolving world economy. Espe-

cially the Bulgarian industry holds the potential to become a robust catalyst for this growth. According to Zhelev (2017), the key to achieving this lies in the adoption of a proactive national industrial policy. Such policy could not be effective enough if we do not have in mind the economic conflicts. However, the current situation should not discourage us - on the contrary, it should motivate us to work harder to promote the conflict science and education field in higher education.

Acknowledgements

The study is realized under the framework of the Project BG05M2OP001-2.016-0004-C01 “Economic Education in Bulgaria 2030” and with the financial support by the UNWE Research Programme (Research Grant №. 9/23).

NOTES

1. CPP Inc., 2008. Global Human Capital Report – Workplace Conflict and How Business Can Harness it to Thrive. Report available at: (<https://bit.ly/3XEzWLN>).

REFERENCES

- DAVIES, L., 2004. *Education and Conflict: Complexity and Chaos*. London: Routledge, ISBN 978-020-335-423-0.
- DIMITROV, D.Y., 2004. *Konfliktologia*. Sofia: „Stopanstvo“ Publishing house. ISBN 954-494-54-4. [in Bulgarian].
- DIMITROV, K., 2013. Edgar Schein’s model of organizational culture levels as a hologram, *Economic Studies – Ikonomicheski Izsledvania*, no. 4, pp 3 – 36. Bulgarian Academy of Sciences, Economic Research Institute. ISSN 0205-329.
- IVANOV, I., MOLHOVA, M. 2023. Bulgaria’s technological development through the prism of higher education policies. *Strategies for Policy in Science and Education-Strategii na Obrazovatelната i Nauchната Politika*, vol. 31, no. 3s, pp. 154 – 171. DOI: 10.53656/str2023-3s-5-str.
- MOLHOVA, M. BIOLCHEVA, P. 2023, Strategies and policies to support the development of AI technologies in Europe. *Strategies for Policy in Science and Education-Strategii na Obrazovatelната i Nauchната Politika*, vol. 31, no. 3s, pp. 69 – 79. DOI: 10.53656/str2023-3s -5-str.
- MIHAYLOVA, I. 2022. Workplace Conflict: Evidence from Bulgaria. – *Economic Studies – Ikonomicheski Izsledvania*, vol. 31, no. 2, pp. 80 – 89.
- SCHWAB, K., 2016. *The Fourth Industrial Revolution*. World Economic Forum.
- STOYANOVA, M. G., 2014. *Konfliktite prez prizmata na sotsiologiyata*. Vtoro prerab. i dop. izd. red. Sofia: Izdatelski kompleks – UNSS. ISBN 978-954-644-600-8 [in Bulgarian].

- STEREV, N., 2023. Industry 5.0, Digitalization of business and Circular economy. *SHS Web Conf.* 176 02002 (2023). DOI: 10.1051/shsconf/202317602002.
- TSANOV, I., 2015. Economic conflictology and economic conflict. In: I. Kotsev & M. Mihaylova (red). *Research works Yearbook of EHSEM Book 15 - Nauchni trudove – Godishnik na EVUIM*. Plovdiv: European Higher School of Economics and Management, pp. 115 – 131. ISSN 1312-739X.
- TSANOV, I., 2014. *Economics Conflict through the Eyes of the Basic Economics Theories*. Sofia: BAC. ISBN 978-619-90235-1-8. [in Bulgarian].
- ZHELEV, P., 2017. Structural transformation and industrial competitiveness of Bulgaria after 10 years of EU membership. *Yearbook of UNWE*, no. 1, pp. 87-103. ISSN (online): 2534-8949.
- STEFANOVA, B. M., ZHELEV, P. 2022. Testing the Premises of International Society in the European Energy Union: The Pluralism/Solidarism Nexus. *JCMS: Journal of Common Market Studies*, vol. 60, no. 5, pp. 1255 – 1271. DOI: 10.1111/jcms.13155.

✉ **Dr. Ivaylo B. Ivanov, Assoc. Prof.**

ORCID iD: 0000-0001-6785-3030

Industrial Business Department

Business Faculty

University of National and World Economy

1700 Sofia, Bulgaria

E-mail: i.ivaylo@unwe.bg