



THE INCLUSION OF SUSTAINABILITY CONCEPTS IN THE BULGARIAN HIGHER EDUCATION IN ACCOUNTING

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Abstract: *The aim of this paper is to investigate the sustainability courses, offered in accounting higher education in Bulgaria. For this purpose, a survey of the content of university websites offering undergraduate and/or graduate programs in accounting is conducted. The survey encompasses also information from the Bulgarian University Ranking System. The study reveals that sustainability education is hardly offered by universities, training future accountants. Only a limited number of universities offer sustainability courses as stand-alone courses. The research is limited by the information available on the websites of the universities. In some cases, there is no information on the courses provided in a given bachelor and/or master programme. The study could not ascertain whether individual topics related to sustainability are included as single topics in some accounting and non-accounting courses due to unpublished information on the content of the courses or at least the more substantive topics covered. This study may constitute a valuable starting point for future research on the inclusion of sustainability in higher education.*

Keywords: *accounting, sustainability, higher education*

Introduction

In recent years, an increase in the number of companies disclosing sustainability information in many countries is becoming more evident. On the one hand, this is due to new laws and regulations, but on the other, to an increasing and more comprehensive understanding by companies of the importance of sustainability disclosures with regard to their long-term financial prosperity. Different frameworks such as the Global Reporting Initiative, the Task Force on Climate-Related Financial Disclosures or the Sustainability Accounting Standards Board have been developed and implemented.

Recently, in March 2021, the European Financial Reporting Advisory Group established the sustainability reporting standards whereas in November 2022, the European Parliament adopted the revision of the Non-Financial Reporting Directive, the Corporate Sustainability Reporting Directive (CSRD). These documents determine the necessary information that companies are required to provide concerning all sustainability topics, as well as obligations for financial market participant regarding any additional disclosures. These new business environment conditions constitute new challenges for accountants, due to the fact that they „play a key role in helping organisations create, protect and report sustainable value“. [1] The 2022 KPMG Survey of Sustainability Reporting shows a large-scale adoption of sustainability reporting among the G250 companies. [2]

Professional accounting organisations such as the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants have introduced sustainability courses into their training [3-5] However, introducing sustainability into

higher education is a major challenge. Universities are more reticent to implement the principles of sustainable development in the learning process [6,7] The growing interest in sustainable development imposes new demands on education. In order to comprehend the impact of companies on the environment and society, information should be systematized and presented in a way that allows people to understand, compare and rely on for decision making. Graduates in accounting must be prepared to address the social and environmental challenges, faced by companies nowadays. Moreover, universities today need to ensure that their graduates gain the broad philosophical understanding, which is requisite to properly determine what the role of accounting should be in a sustainable development context. On the one hand, it is the technical expertise of accountants to make processes in the company 'visible' by creating specific information. On the other hand, it is the process of transformation into more relevant information to meet the needs of society and other external stakeholders.

The aim of this paper is to investigate the offering of sustainability courses in accounting higher education in Bulgaria.

The paper is structured in two main parts. In the former, some important features of higher education in Bulgaria are presented. The latter is devoted to the research, results and discussion.

Methods

A survey was developed to investigate how many higher education institutions in Bulgaria offer sustainability courses in accounting at undergraduate and graduate levels. For this purpose, the number institutions offering training in accounting is identified. The websites of the universities are visited to establish the sustainability course offerings at the undergraduate and graduate levels.

Secondary quantitative data from government institutions such as the Ministry of Education and Science, the Rating System of Higher Education Institutions in Bulgaria, and the National Agency for Evaluation and Accreditation were also used for the analysis. The systematic approach, the comparative method, and the method of analysis and synthesis were put into practice.

The context of Bulgaria

In Bulgaria, higher education is provided in universities, specialised higher education institutions and independent colleges. The first two types of educational institutions offer programmes in 3 cycles of higher education - bachelor, master and doctoral degrees. Bachelor programmes are 4 years long, Master programmes can be 1 or 2 years long. The colleges train only in the professional bachelor's degree, which lasts 3 years. Higher education institutions are public and private.

The activities of higher education institutions are legally regulated by the Higher Education Act and the Academic Staff Development Act. Additional legislation includes the State Classification of Areas of Higher Education and Professional Fields and the National Qualifications Framework. Several important strategic documents underpin the development and implementation of higher education policies - National Development Programme "Bulgaria 2030", National Strategy for Education (2021-2030) and Strategy for the Development of Higher Education (2021-2030).

In order to operate, all higher education institutions must meet a number of requirements set out in the Higher Education Act and be accredited by The National Evaluation and Accreditation Agency. This agency constitutes a specialised government body, attached to the Council of Ministers, which carries out the



evaluation, accreditation and quality control of the higher education provision in accordance with the standards and guidelines for quality assurance in the European Higher Education Area. The accreditations granted by the Agency are institutional and programme accreditations. Institutional accreditation is based on an assessment of the way in which the higher education institution as an organisation pursues its mission and objectives and the application of the standards and guidelines for quality assurance in the European Higher Education Area. Programmatic accreditation is based on the assessment of the quality of the training offered in a particular professional field. The national agency also determines the number of students that a higher education institution may train. As of 2022, The National Evaluation and Accreditation Agency has accredited 52 higher education institutions, of which 38 are public and 14 are private. [11] PF 3.8 Economics is the professional field in which accounting students are trained.

The main source of funding for higher education in Bulgaria is the national budget. The financial management model is mainly based on the criterion of the number of students and the statutory annual maintenance per student. This is in fact one of the most important reasons why the number of higher education programmes offered in Bulgaria has increased over the last two decades in order to attract more students. Since 2012, many universities have opened degrees in economics, administration and management, and pedagogy, but sometimes without sufficient capacity of academic staff [12]. Universities with traditions in specific fields, in their desire to increase the number of students admitted and thus their funding, offer non-specific majors and lose their profile - technical, chemical-technological, etc. In the period 2010-2015, the places offered for admission exceeded the number of applicants in Bulgarian universities [15].

In 2016, the introduction of differentiated funding for higher education institutions was undertaken. The main purpose of this measure is to make a clear distinction between successful and lagging professional fields in universities, which would naturally lead to the fallout of the ones that do not meet the quality standards for education. Priority vocational fields and protected fields of study are identified and are given greater opportunities for admission and targeted funding due to staff deficiency. Criticisms of the proposed higher education funding model are manifold and should not be undervalued. [14] The methodology of The National Evaluation and Accreditation Agency has also been much disapproved of as it produces similar high scores in each evaluation. [12] In this regard, the need for the development and adoption of an effective standardized quality assessment methodology that objectively outlines the strengths and weaknesses of the higher education institutions and programs being evaluated is emphasized [15]

The number of active students in the academic year 2021/2022 is 200,781, 87.1% of whom are studying in public universities. The majority of students are studying at the Bachelor's degree level - 64.5%, 32% are studying at the Master's degree level and 3.5% at the Professional Bachelor's degree level. The total capacity identified by The National Evaluation and Accreditation Agency for all PF in all higher education institutions is more than double the number of students in operation in the 2021/2022 academic year [10].

According to the information in the National Map of Higher Education in Bulgaria for 2022, 26 institutions have an active accreditation for students in PF 3.8 Economics [11] or exactly 50% of all higher education institutions in the country. In PF 3.8 Economics there are a number of degree programmes in all three levels - Professional Bachelor, Bachelor and Master. Among these majors is accounting.

In the academic year 2021/2022, PF 3.8 Economics has 14% of the country's students [10] We do not have statistical information on the number of students studying accounting. For the period 2016-2021, the number of current students in PF 3.8 Economics decreased by 33%. Although at a slower pace, this trend is expected to continue over the next 5 years [10] Some of the reasons for this include the demographics of the country which is characterised by a declining population, emigration and the choice of many young people to continue their education abroad.

Another very important issue constitutes the funding of scientific activity. In Bulgaria, prevailing scientific research is carried out in state universities, Bulgarian Academy of Sciences and the Agricultural Academy. According to the Web of Science database, Bulgaria has been steadily losing ground in terms of the number of internationally visible scientific publications in recent decades. [14] The cited document stresses that "the main reason for this is the lack of political will and a sustained multi-year commitment to support the development of scientific research. This is reflected not only in the low level of public and private funding, but also to shortcomings in the regulatory framework and the maintenance of low social status of scientists. Traditionally, the blame has been shifted to the scientific community and its reluctance to make reforms. On the other hand, the lack of a strategic vision, adequate measures at national level and financial resources are an obstacle to reforms in the scientific” [14, p.11] The country lacks a system and organisation for evaluating scientific activity and linking funding to results. The decline in scientific potential and research is also having a negative impact on education. [14]

Results and discussion

Of the 26 universities accredited in PF 3.8 Economics, after visiting their websites, it became evident that two schools do not accept students in the vocational field and one only offers training in the professional bachelor's degree. As a result, our analysis is based on 23 universities (44% of all higher education institutions) that offer bachelor and/or master programmes in PF 3.8 Economics. Of these, 4 universities (1.7%) do not offer accounting at all. Of the remaining 19 universities, 15 (79%) offer undergraduate accounting programmes and 17 (89%) offer postgraduate accounting programmes. Master's degree programmes in accounting are offered in 3 higher education institutions, but no Bachelor's degree programmes are offered. One higher education institution offers only a Bachelor's degree in accounting. The websites of 5 of the 19 universities surveyed (2.6%) that offer accounting studies do not provide information on the subjects taught.

Only 5 universities have included courses in sustainability in the curriculum of undergraduate accounting programs and no university has included such a course in the accounting curriculum at the graduate level. Three of the universities have included two courses in the undergraduate accounting curriculum, with one of the courses being compulsory and the other elective. In the remaining two universities, the sustainability courses are elective. The courses offered in the Bachelor's degree are Sustainability Accounting, Environmental Accounting, Integrated Reporting, Ecological Economics, Environmental Economics, Sustainable development and Corporate Social Responsibility.

It is worth mentioning that several universities offer undergraduate and/or graduate programmes in PF 3.8 Economics that are entirely dedicated to sustainability. Some universities have included courses related to sustainable development in the Bachelor and/or Master programmes in Finance.



The results show that higher education institutions in Bulgaria, which prepare future accountants are falling behind in introducing sustainability accounting into undergraduate and graduate accounting education.

The reasons for this are diverse and manifold, and we focus on a few:

To begin with, we note that two of the universities that have introduced sustainability courses have a strict economic profile, while the other three are large universities with traditions and develop training in several fields of science and art. This implies the presence of academic staff with the appropriate qualifications and sufficient experience and expertise in teaching, as well as a concentration of research in the specific field. It is also noteworthy that three of the universities offering sustainability courses in accounting education are very active in international cooperation and joint programmes with universities abroad. Some of the undergraduate or postgraduate programmes are accredited by international professional bodies, including ICAEW and ACCA. These are crucial prerequisites for the rapid orientation of academic staff to the new requirements for accountancy and changes in the accounting profession and their adaptation in the teaching process.

As noted earlier, almost half of the universities (some of them specialised and with long traditions in other fields of science) have allowed the opening of courses in economics, in particular courses in accounting. On the one hand, this has allowed wider access to higher education, but on the other, it has led to imbalances in the quality of teaching and low graduate turnover [15]. The skills and qualifications of academic staff may not have been adequate in the process of rapid expansion, and upskilling may have been very difficult with few resources or research career opportunities. [12]

The second reason we pay attention to is curriculum. The core courses in the Bachelor of Accounting programmes are Introduction in Accounting, Financial Accounting, Management Accounting, Public Sector Accounting, Bank Accounting etc. In the Masters programmes, the training is deepened in the study of Financial Reporting, Taxation, Auditing, Financial Management, etc. Considering the scope of the subjects studied, the syllabus is considerable, both in terms of lectures, seminars and self-study hours. The lecturers are hard pressed by the lack of time and the large amount of knowledge to be taught. The latter is, of course, no reason not to take steps towards curriculum renewal. It is well known that the accounting profession requires certain accounting knowledge and technical skills in graduate students. In the 21st century, however, this is far from sufficient.

The concept of sustainable development poses the need for broad knowledge, not only in the field of accounting but also in other fields. It requires an integration of the economic, social and environmental dimensions of companies, reflected in usable social and environmental information that management, society and customers increasingly demand. Its creation, transformation and interpretation requires an interdisciplinary approach [8] and specialized knowledge and competencies. This challenge also poses the need for a new educational approach that can prepare students for the interconnected economic, social and environmental aspects of the sustainability transition [9] and that can develop creative and innovative ways of thinking.

A very serious problem for the introduction and teaching of sustainability in accounting education is also the fact that there are still no uniform established standards. Different frameworks have been developed and implemented by organisations such as the Global Reporting Initiative or the Sustainability Accounting Standards Board. Their requirements are applicable to a limited number of companies

in Bulgaria and examples from the country are few. This makes it difficult for educators to choose a framework on which to base the learning content.

The adoption of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, introduced new rules and expanded the scope of companies that are demanded to disclose sustainability information. Under the Directive, companies within its scope will report and disclose indicators in accordance with new Union sustainability reporting standards developed by The European Financial Reporting Advisory Group (EFRAG). The standards are pending approval by the Commission by the end of 2023. The expanded scope implies more companies, including from Bulgaria, having to report according to the new standards. This means that universities no longer have time to waste. To meet this challenge, professors need not only to study the standards, but also to find the most appropriate way to implement them in the curriculum.

In this context, we note the importance of collaboration between practice and education. In Bulgaria, that collaboration is still underdeveloped. The lack of such collaboration in the development of curricula and new programmes leads to a mismatch of expectations of practice on the knowledge and skills of graduates. Lecturers are most often the initiators of such links. Large audit companies have experience with different frameworks in the field of sustainability development and can assist in curriculum development, also with workshops and training. Bringing in speakers from practice would enrich students' learning. Not only that, the collaboration could help students discover different career opportunities in the field of accounting.

A problem we see in Bulgaria is that lecturers are forced to self-educate and rely on their personal contacts with colleagues from practice. The limited funding of higher education institutions makes it difficult to take initiatives related to the training of lecturers - not only in terms of innovations in the field they teach, but also in terms of pedagogical approaches and the use of modern teaching techniques. Limited funding makes it difficult to carry out research. This leads to a demotivation of teachers and, as a result, a decrease in the quality of the educational service.

Another challenge, which we address is the attitude of students towards accounting education. It is known that students choose accounting programmes for their interest in the subject as well as for their expectations of enhanced employability and successful professional careers in the future. [16] A survey of alumni students in New Zealand indicated that they rated sustainability as the least significant area of their studies. [17] The introduction of courses into curricula, which students consider to be non-essential, is associated with a risk of demotivation, not only with regard to the specific courses but also to accounting programmes in general. This requires universities to motivate the necessity to introduce sustainability into accounting courses and to demonstrate practices consistent with sustainability in their activities. However, we believe that universities' efforts in this direction alone will be insufficient. Sustainable development requires each of us to assess our responsibility and contribute to a sustainable future, which requires fundamental changes in our way of thinking and lifestyle. The isolated efforts of universities will have only limited results.

The above does not exhaust the problems facing the introduction of sustainability accounting in higher education in the country. However, discussing the challenges is a necessary condition for finding solutions. The discussion is open and the search for opportunities continues.



Conclusion

In the near future, more and more companies will disclose sustainability information. This requires new knowledge from accounting graduates. Bulgarian universities are lagging behind in introducing sustainability into accounting education. The main reasons are related on the one hand to factors specific to the Bulgarian reality - the funding model of higher education and research and the evaluation model of higher education institutions and the quality of the educational service they offer. On the other hand are the challenges that accompany the adaptation of the curricula of accounting programmes specifically to the changes imposed by sustainability development. The need to apply an interdisciplinary approach to curriculum and programme development, as well as collaboration between academics and professional accountants in practice, emerges.

Limitations

The research is limited by the information available on the websites of the universities as of 01.05.2023. In some cases, there is no information on the courses provided in a given bachelor and/or master programme.

The study could not ascertain whether individual topics related to sustainability are included as single topics in some accounting and non-accounting courses due to unpublished information on the content of the courses or at least the more substantive topics covered.

Acknowledgements

This paper and dissemination of its results is supported in part by Sofia University Science Fund Project 80-10-89/26.04.2023 ‘Exploring the impact of digitalization and sustainability on accounting and accounting education’.

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