

## POSITION PAPER

for an opening of a procedure for defense of a dissertation for the award of an educational and scientific degree "Doctor" in the scientific specialty "Economics and Management (Industry)" in S.A. "D.A. Tsenov ", Svishtov

**From: Assoc. Prof. Dr. Dimitar Marchev Blagoev** scientific specialty "Economics and Management (Industry), University of National and World Economy, Sofia.

**Author of the dissertation: Karmen Dimitrov Vranchev**, PhD student in the Department of Industrial Business and Entrepreneurship, E.A. "D.A. Tsenov", town of Svishtov, scientific specialty "Economics and Management (Industry)".

**Dissertation topic:** Influence of German investments on the development of the Bulgarian economy.

### I. General characteristics of the presented dissertation

The dissertation submitted for opinion consists of an introduction, three chapters, a conclusion, a list of figures, a list of tables and a list of references. It was developed in a volume of 234 pages, of which 202 pages are the main text. The dissertation contains 22 tables and 42 figures. For the development of the dissertation, 104 literary and informational sources were used, of which 12 in Bulgarian, 62 in English and 30 electronically based resources. The structure of the dissertation makes it possible to easily trace the idea of the dissertation research, the set goals and tasks to the object and the subject of research.

### II. Assessment of the form and content of the dissertation.

**In the introduction**, the doctoral student has justified the relevance of the topic chosen for the dissertation research. Statistical data are indicated, incl. both for Bulgaria and specifically for German companies that have entered the Bulgarian market and economy in the last two or three years. The object and subject of research in the dissertation work are clearly and precisely defined. The research has a main goal and specific tasks of a scientific nature. The author has formulated a specific research thesis to be proven (or disproved) through the dissertation research. It is decomposed into subtheses. In general, the approaches and methods that will be used in conducting the scientific research are indicated. Given the wide scope of the research topic, the author has set certain limitations/boundaries of the problems that will be subject to research. A certain justification was made for choosing the company Aurubis as a basis for conducting the applied research (structuring company).

**The first chapter** examines the theoretical aspects of foreign direct investment (FDI) and the ways in which it affects national economies. The points of view of a number of authors and especially of international organizations on the essence of FDI are presented. This is done with a comparative and evaluative nature. Regarding the classification of FDI, a differentiation has been made between direct and indirect foreign investments, and their distinguishing characteristics have been brought out. Other types of FDI are presented according to specific classification criteria – green, brown, horizontal and vertical, mergers and acquisitions (which are forms), etc.



The PhD student has done a good literature review of basic FDI theories. For each of the considered theories, its author and conceptual characteristics are indicated. The researched theories on FDI are predominantly from Western authors as well as East-Asian authors who present concepts of economic catch-up to Western economies based on the internationalization of companies' activities and realization of FDI. The reasons for implementing FDI are well presented.

The effects of the implementation of FDI are measured by certain indicators - showing the degree of investment penetration, the degree of transnationalization, etc. The potential positive and negative effects of FDI are also presented. It can be positively assessed that the chapter (as well as the other chapters in the dissertation) end with summaries and conclusions from the (in this case, theoretical, literary) review and analysis.

**The second chapter** is aimed at researching the policies to promote the attraction of FDI. The characteristics of the business environment in Bulgaria are presented. Advantages of the Bulgarian business environment in the context of attracting FDI have been identified. The position of the country in various world rankings for competitiveness, innovation, etc. is presented.

The regulations in the field of FDI in Bulgaria have been studied and systematized. Emphasis is placed on the role of the state and institutions for attracting FDI. The main institutions responsible for stimulating FDI are the Bulgarian Investment Agency, the German Economic Development Agency, GBITK, etc. An analysis of the country's economic development for the period 2008-2022 was made. in the context of FDI and the role of Germany. Main indicators of economic development are tracked - GDP, GDP (total and by individual sectors).

**The third chapter** presents the results of the applied research on the degree of influence and effects of foreign direct investments on the economy of Bulgaria, based on the example of Aurubis Bulgaria. At the beginning of the chapter, there is again a literature review on the subject of the influence of FDI. Personally, I believe that its logical place is in the first chapter of the dissertation work, already when clarifying the issue from a theoretical and methodological point of view. From a methodological point of view, the different types of effects that will be sought and tracked, with the implementation of the applied research, from the investments realized by Aurubis over the years are described - direct (or primary), indirect (or secondary), industrial (tertiary). A sectoral analysis was made for a retrospective period of the processing industry in the country. Emphasis is placed on the role of Aurubis Bulgaria in the development of the Bulgarian economy.

**In summary**, the dissertation is characterized by relatively good balance in terms of its individual parts and mutual dependence.

**The dissertation abstract** is 55 pages long. It faithfully reproduces the content of the dissertation. It consists of six parts. They are: the general characteristic, structure and content, a synthesized statement, the reference for the contributing points, publications on the dissertation work and a declaration of originality and credibility of the dissertation research. His presentation, in a synthesized form, presents the most important moments of the dissertation.

The following publications were made on the subject of the dissertation - a total of 10. Of them - 2 co-authored studies, 3 independent articles, 5 co-authored conference reports. The publications are in sufficient volume to cover the minimum national requirements for the acquisition of the "Doctor" degree and reflect the achievements in the dissertation research.



### III. Scientific and scientific-applied contributions to the dissertation.

The developed dissertation contains certain contributions that reflect the main achievements and results of the practical research done. I accept to a certain extent the wording of the contributions (made by the doctoral student). I see the enrichment and systematization of the main theoretical statements and normative base on the researched problem and the outlined conclusions and recommendations as the main contributing points in the dissertation research.

### IV. Questions on the dissertation.

PhD student Carmen Vranchev has done his research in good faith. Without underestimating the work done by the doctoral student, the following comments can be made on the material and some clarifying questions can be asked:

1. Why was the so-called case study method for conducting the applied research and can it be claimed in this case that the conclusions and the recommendations based on them are of general validity for the entire Bulgarian economy or even only for an entire specific sector of it, and not only for the specific company under study? (The question can be related to problem 4 in the introduction).

2. If the Aurubis company has been on the Bulgarian market for 20 years, does limiting the empirical study to only a three-year period (which also includes force majeure events such as the Covid-19 pandemic and the Ukraine-Russia war) lead to a certain distortion of the final results and conclusions drawn by the author of the dissertation?

3. There is an unsatisfactory level of citation in the theoretical part of the dissertation (e.g. for 10 pages, from 20 pages to 29 pages, only 2 literary sources are cited, and from 50 pages to 58 pages, only one literary source is cited). In this way, an impression is created of the insufficiency of the conducted literature review on the topic of the dissertation research. The same applies to some other parts of the dissertation text.

4. The connection of the importance of the detailed analysis of the business environment and economic development made at the beginning of the second chapter with the topic of the dissertation research is lost. Of course, all these economic indicators, observed at the macro level, matter and depend on FDI, but it is very difficult to determine what is the share of FDI in their generation and what part is due to other factors.

5. The author must be very careful with some statements made in the text of the dissertation. For example, on page 136, it is written that "...the Institute for Market Economy (IME) analyzes German investments in Bulgaria on behalf of GBITK and the Konrad Adenauer Foundation (IME, 2019) and examines their effects on the economy. For this purpose, the indicators of investment in durable tangible assets, net sales revenue and number of employed persons were used...", which verbatim overlaps the topic of the dissertation work. In this way, doubts arise in the readers about the degree of originality of the idea and the essence of the dissertation research itself.

6. Some of the conclusions that the author makes about the direct, indirect, etc. effects of the company's activity are interesting, but it is not clear how he arrived at them. This applies especially to those that have a digital expression (e.g. on page 193 it is stated that "...Total indirect (indirect, secondary) effects along the supply chain of goods and services generate an additional BGN 1.115 billion in **domestic** demand in the economy in 2021...", and it is not clear how this number was determined?).

#### **V. Summary assessment of the dissertation and conclusion.**

The dissertation on the topic: "Impact of German investments on the development of the Bulgarian economy", developed by PhD student **Carmen Dimitrov Vranchev** is an independent study of a scientific-applied nature and meets the law requirements and the internal regulatory documents of E.A. "D. A. Tsenov" for awarding the educational and scientific degree "doctor".

I recommend to the respected members of the Scientific Jury to award PhD student **Carmen Dimitrov Vranchev** the educational and scientific degree "doctor".

Date: 10.08.2023  
Sofia

Prepared the position:

/Assoc. Prof. Dr. Dimitar **Blagoev** /