



UNIVERSITY OF NATIONAL AND WORLD ECONOMY

REVIEW

**for the acquisition of an educational and scientific degree "doctor"
at the Economic Academy "D.A. Tsenov" - Svishtov**

Reviewer: Assoc. Prof. Vera Dimitrova Pirimova, PhD

Professional area 3.8 „Economy“,

Scientific specialty: Political Economy,

Department of Economics, University of National and World Economy

Regarding: dissertation for the acquisition of an educational and scientific degree
"doctor" in the field of higher education 3. Social, economic and legal
sciences, professional area 3.8. Economics, Ph.D Programme
"Political economy"

Author of the dissertation: PhD student **Elitsa Petkova Petkova,**

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**Dissertation topic: "Foreign direct investment - the basis of the transnationalization of
the economy"**

Reason for providing the review: Participation in the composition of the Scientific Jury for
the defense of the dissertation according to Order No. 848 of 03.10.2022 of the Rector of the
SA "D.A. Tsenov" – Svishtov

I. General overview of the dissertation

The dissertation is developed in a total volume of 183 pages. The main text is developed in a volume of 166 pages and has a standard structure - an introduction, an exposition in three chapters and a conclusion. It includes 5 tables and 33 figures (graphs and diagrams) that illustrate the dynamics of the studied processes and indicators. A list of used abbreviations, 3 appendices and a bibliography with 148 sources have been added - including publications by Bulgarian and foreign authors, in Bulgarian, Russian and English, documents and analyzes of national and international institutions, legislative and other regulatory legal acts, sources of statistical data.

The introduction is short (6 pages) but contains all the required elements. It clarifies the relevance of the researched issues, the object and the subject are clearly defined (on p. 4), the main goal and several additional tasks of the research are formulated, and the leading research thesis is built (on p. 5). In addition, space is provided for a brief description of the methodology and several limitations of the study.

There is an accordance between the title, the object and the subject, the main purpose and tasks of the research, on the one hand, and the structure and content of the scientific work, on the other hand.

The three chapters are balanced, they have approximately equal volume.

In terms of content, a traditional approach to developing and structuring the research was chosen and applied. The first chapter is focused on the theoretical foundation of the study and has an introductory nature. In the other two chapters, an empirical analysis was carried out, for the purposes of which methods and means of traditional (ordinary) descriptive analysis (in the second chapter) and correlation and regression analysis (in the third chapter) were mainly applied.

The conclusion is short and reflects the main results and conclusions, oriented to prove the formulated research thesis.

II. Assessment of the form and content of the dissertation

The **relevance** of the study is indisputable from the point of view of the growing over the studied 30-year period inflows and outflows of FDI, both on a global, regional and national scale. Along with the intensity, the effects of FDI on the economy are growing, which can have, however, positive and separate negative angles. The peculiarities of FDI and their role in the transnationalization of the economy have been examined by the doctoral student through a measured causal analysis in a scientific (strictly theoretical) and practical-applied aspect, in particular in accordance with the causes and consequences of FDI for the Bulgarian economy.

The issue of FDI attracts interest and is represented in a number of scientific studies by Bulgarian and foreign authors, but it is distinguished by a resurgence of interest in it after the global financial and economic crisis of 2008-2009. This crisis was reflected and caused temporary deviations in the volumes, but also a modification of the motives and a certain reordering of the role of the main types of FDI. In response to these challenges, the doctoral student has carried out an author-type (original) and in-depth theoretical-empirical study on Bulgaria.

The main **thesis** of the dissertation is correctly formulated, closely followed in the exposition, sets the main reference points of the research. It has been successfully demonstrated in the gradual unfolding of the dissertation research in the three chapters, through the applied methods and means of theoretical and empirical analysis.

The **first chapter** is devoted to the theoretical and methodological foundations of the analysis. The doctoral student gave a starting point to views on the cross-border movement of capital from neoclassical and neoinstitutional theory. They are interpreted freely, without assuming a textbook style, with critical analysis and expressed own opinion. The connection of the processes of globalization, liberalization and transnationalization of the economy, the development of science, new technologies, the world economy and direct foreign investments, the activity of transnational companies is distinguished by depth. Foreign direct

investment (FDI) has been highlighted as a major factor in transnationalisation, an important tool and indicator of the degree of linkage of the reproduction process on a global basis. The carefully made generalizations are supported by empirical data and dosed examples from the practice of the activity of certain large TNCs. Well systematized by the author are more important positive, but also negative effects of FDI inflows and outflows (on pp. 19-25). Alternative approaches and models for FDI analysis are presented, more interest is expressed in the model of J. Dunning and his inferred advantages of ownership, location and internationalization – **OLI**-advantages (pp. 32-35). Five stages of international investment development are thoroughly examined (on pp. 35-38), the specific manifestation of which in Bulgaria is revealed and explored in the third chapter. Particular emphasis is placed on a wide set of motives for carrying out FDI, which are tied to the four main types of FDI, and their characteristics are summarized in tabular form. A special place is devoted to the reflection of modern conditions and new technologies on the motives for direct investment.

In the **second chapter**, a detailed empirical analysis was carried out in which the PhD student applied a mix of simple descriptive, causal and comparative analysis methods. A systematic, consistent and logical approach was taken to the analysis of the dynamics, sectoral and geographical structure and the structure of FDI by elements of the balance of payments, during the period 1990-2020. They are oriented towards the incoming and outgoing flows of FDI in the world and in Bulgaria, with correct priority given to their peculiarities in Bulgaria. On the basis of the attached data and in the context of the preferred methods of investment, the doctoral student reaches the conclusion that "green" investments prevail over mergers and acquisitions of companies (p. 85). The correctly processed data and the conclusions drawn from them, the overview graphs and diagrams make a good impression.

In the **third chapter**, the doctoral student investigates and proves a peculiarity in the manifestation of Dunning's model. He reduces it to dividing and arguing three stages in Bulgaria's investment development trajectory, which he interprets as a deviation from the traditional investment development curve (p. 134). For this purpose, arguments are presented for the **OLI**-advantages of Dunning and the net foreign investment position of Bulgaria. A curve of the investment development trajectory of our country has been constructed, which illustrates the relationship between real GDP per capita and accumulated FDI, represented by the net foreign investment position (NFIP) per capita. The conclusions become more convincing after applying methods of correlation and regression analysis. Their results prove unequivocally that the time borders and characteristics of the three stages identified by the author provoke and correspond to breaking points of the investment development curve (p. 137). In addition to Dunning's model and to prove the role of FDI for the economic growth of Bulgaria, the relationship between GDP per capita and the import and export flows of FDI separately has been studied using the methods of correlation analysis. Their relationship has been proven to be strong and mutual. As a logical conclusion to the third chapter, key conditions for attracting more foreign investments in Bulgaria are systematized, specific and valuable recommendations and measures for mitigating or overcoming the negative aspects of the environment for implementing FDI in Bulgaria are formulated.

The **volume** of dissertation research is optimal.

The high quality and acceptable number of graphs, diagrams, tables, which are independently designed by the doctoral student and applied in appropriate places in the text, should be noted.

The doctoral student has compiled short summaries for each chapter, which are an expression of a well-thought-out logic, give completeness and interdependence of the separate parts of the analysis.

An appropriate **methodological toolkit** was selected and skilfully applied in the study. It includes more specifically the traditional methods and means of analysis and synthesis, historical-logical and comparative, empirical, simple descriptive, as well as correlation and regression analysis. They are appropriately selected, correctly and legitimately applied in relevant parts of the dissertation, contribute to solving the main goal and more specific tasks.

It is necessary to emphasize that the exposition is distinguished by a clear, understandable, **scientifically sound style and language**. There are demonstrated good command and correct application of scientific terminology. There are no redundant deviations from the proof of the thesis, as well as from the fulfillment of the purpose and tasks of the research. There are no repetitions or logical contradictions that aggravate the style, readability and perception.

The separate parts of the study are developed in a similar, proportionate volume. The introduction and conclusion could be more detailed, although in their current more concise format they contain the main components or conclusions.

The dissertation expresses the necessary knowledge of the **studied literature** on the issue. This is demonstrated in the attached bibliography and in the in-text and footnote citations.

The doctoral student has adhered to the rules of scientific ethics. Researched and used scientific sources are correctly cited (in the text or footnoted). Based on the declaration of originality of doctoral student Elitsa Petkova and the lack of evidence and signals of plagiarism, it can be assumed that the dissertation work is a personal work and merit to the author.

The **abstract** was developed in accordance with the requirements, fully and correctly reflects the structure and content of the dissertation.

At the end of the abstract, a report on the obtained results and contributions, a list of realized publications on the topic of the dissertation is presented. They correspond to the minimum national requirements and the Rules for the Application of the Law on the Development of the Academic Staff in the Republic of Bulgaria.

In connection with the dissertation, the author has realized and presented three scientific publications. They are independent, in Bulgarian. All of them concern certain aspects of the issues investigated in the dissertation, as they are from participation with reports at scientific conferences of the Economic Academy - Svishtov. The response and recognition of the obtained results would be more tangible if some publications were realized in scientific forums of other universities in the country and abroad, in Bulgarian or foreign scientific journals.

III. Scientific and scientific-applied contributions of the dissertation

In her dissertation, doctoral student Elitsa Petkova demonstrated good theoretical preparation, thorough knowledge of the subject of the study, ability to interpret and analyze scientific concepts and statistical data. On this basis, she succeeds to develop and

convincingly argue her unique ideas and reaches certain generalizations and conclusions of a contributing nature.

In general, I accept the four contributions formulated by the PhD student. In connection with them, I make a clarification that the first is scientific and the other three contributions are of a scientific-applied nature. These contributions relate, in my opinion, to:

- 1.) Enrichment of scientific knowledge about transnationalization and the role of foreign direct investment for the development of the economy have been achieved, as an integral part of which a set of main motives for direct investment in other countries has been systematized, through the prism of the main types of FDI.
- 2.) Classified, distinguished and substantiated in details (including through the results of a correlation analysis) are three stages in the investment development of Bulgaria, as the main conclusion and essence of the empirical descriptive analysis of the dynamics and structure of FDI in Bulgaria.
- 3.) Was modified according to the peculiarities of the development of the studied processes in Bulgaria the model of J. Dunning about the curve (trajectory) of investment development. This model was applied in the study of the dependence between economic growth and the net foreign investment position of Bulgaria. In addition, a strong correlation between FDI imports and exports and GDP per capita has been inferred and proven through correlation analysis.
- 4.) Basic conditions and factors of the environment for direct investment in Bulgaria are systematized and guidelines for improving the investment development of Bulgaria are summarized and substantiated.

The achieved results of a contributing nature meet the necessary requirements and criteria for acquiring the educational and scientific degree "doctor".

The doctoral student has not submitted a reference for citations and it cannot be assessed whether the proposed ideas and results have already found resonance and recognition in the specialized scientific literature.

IV. Dissertation critical notes, questions and recommendations

I have no substantial critical remarks, because after carefully reading the dissertation work of doctoral student Elitsa Petkova, I came to the conviction that there are no significant mistakes, omissions, or contradictions made in it.

However, I would express my opinion that the empirical analysis in the second and third chapters would become more convincing if it were supplemented with a deeper causal analysis, as well as with the citation of more Bulgarian authors with publications on the studied issues. This note of mine does not diminish the importance of the obtained results, which are at a high scientific and practical-applied level.

I make two main recommendations for the future research work and scientific activity of doctoral student Elitsa Petkova:

- 1.) To think about a possible addition or expansion of the scientific field and the specific focus of his research. For example, to go deeper into the issues and role of other factors of economic growth, or to focus on microeconomic aspects of the effects of FDI. It would also be useful from a scientific and practical point of view to tie the inflows of FDI with the innovations and innovation activity of Bulgarian

companies. Because they stand out as a decisive factor of economic growth in the present and in the future.

- 2.) To develop and implement more publications in Bulgarian and foreign scientific journals, to participate with reports in scientific forums of other universities in the country and abroad, in order to achieve greater recognition of hers theses, alternative concepts and ideas.

V. Summary Conclusion and Opinion

The dissertation of doctoral student Elitsa Petkova Petkova on the topic "Foreign direct investments - the basis of the transnationalization of the economy" is an independently developed, original and completed scientific study that meets the requirements for obtaining the educational and scientific degree "doctor". On the basis of the received scientific results and contributions, I propose that Elitsa Petkova Petkova be awarded the educational and scientific degree "doctor" in the scientific specialty "Political Economy".

25.10.2022
Sofia

Signature: ...
(Assoc. Prof. Vera Pirimova, PhD)