



**Academy of Economics**  
**"Dimitar A. Tsenov" – Svishov**  
**Faculty „Finance”**  
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## **REVIEW**

by prof. Yordan Ivanov Vasilev, PhD,  
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***Regarding:** dissertation paper for obtaining the educational and scientific degree "doctor" in professional direction 3.8. "Economics" in the doctoral program "Political Economy"*

**Author of the dissertation:** Elitsa Petkova Petkova

***Topic of the dissertation:***

**"FOREIGN DIRECT INVESTMENTS – THE BASIS OF  
THE TRANSNATIONALIZATION OF THE ECONOMY"**

**Grounds for presenting the review:** Participation in a scientific jury for the defence of a dissertation, according to Order No. 848/03.10.2022 of the Rector of D. A. Tsenov Academy of Economics – Svishov. The review was prepared in compliance with the review structure sample for obtaining the educational and scientific degree "doctor" in D. A. Tsenov Academy of Economics.

### **I. General presentation of the dissertation paper**

The dissertation presented is a finished paper. It consists of Table of Contents, List of abbreviations, Introduction, main body that covers three chapters, Conclusion, Appendices, Bibliography – a total of 148 literature and Internet sources – 48 in Cyrillic and 100 in Latin, which clearly shows that the doctoral student is very well prepared and on the basis of that she builds high-level analytics. The dissertation presented has a length of 183 pages, of which 162 pages is the main exposition.

In order to support the exposition, the author included 5 tables, 33 figures and 3 appendices, which serve as an illustration of the research.

The plan of the dissertation has a logical construction. The research is based on the deductive approach, in which specific conclusions are drawn from general ideas – at first, the theoretical and methodological

aspects of foreign direct investments are examined and also globalization and transnationalization of the economy and the approaches and models for analysing FDI. The main motives for FDI are exposed. The second chapter analyses the volume, structure and dynamics of FDI and outlines the FDI trends in the world economy and in Bulgaria. The third chapter studies the investment development of Bulgaria and the investment climate and also suggests guidelines for its improvement.

**The object of the research** are foreign direct investments.

**The subject of the research** is the role of foreign direct investments for the transnationalization of the economy and the investment development of Bulgaria.

**The thesis statement** of the dissertation is that FDI inflows and stocks are determined by the level of economic development, and the accumulated FDI, in turn, create preconditions for economic growth and further investment development of the country. Therefore, Bulgaria needs to adopt a stimulating policy towards FDI.

**Some research limitations** are also identified – regarding the research object, the research subject and the time span of the study.

In the course of the study, a complex of empirical and theoretical methods was used, such as: historical and logical method, the induction and deduction methods, the methods of analysis and synthesis, descriptive and comparative analysis, statistical and mathematical methods and econometric models, like arithmetic mean, relative values, dynamic series, development analysis, correlation and regression analysis, etc. Tables and various graphs are used to visualise the final results.

The research period is 1990-2020. The year in which Bulgaria started the process of transforming its economy to a market-based type of economic system was correctly chosen. This allows the free movement of capital in the form of foreign direct investments, which are the subject of the research paper. The year 2020 was chosen as the end of the period, as data for 2021 are preliminary and they are to be revised, which may create significant changes in the value of the variables under consideration.

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

A deserved **positive assessment** should be given for the topic chosen by the doctoral student, her dissertation advisor and the members of the department. Its topicality and relevance should also be appraised.

The **relevance** of the dissertation work is associated with the rapid growth rate of world foreign direct investments, which predetermines their importance for global, regional and national economic processes. When making direct investments, in addition to the financial capital



between the economies are also transferred resources, technologies, organizational and management practices, know-how, which influence the economies of both the countries from which the investments come and the countries that receive the investments.

The multiple impact that FDI has on social and economic development provokes a certain dualism of the views concerning the effects of them, but the opinion that they have a favourable impact on countries' economic development prevails in most cases. Foreign direct investments are of high importance in the period of economic transformation and for the implementation of structural changes, as they provide the financial resources needed for the transition process.

The research paper is well-balanced. It follows the traditional composition for a dissertation and is long enough.

**In the introduction**, the main lines of the research are discussed and its theoretical and methodological framework is properly indicated. Here, along with the relevance of FDI problems, **the aim of the research** is also determined – to study the main trends and factors of foreign direct investment and to identify the features and prospects for the investment development of Bulgaria as part of the transnational processes. The achievement of the aim defined above goes through answering to four sequentially synthesised **research questions** (objectives).

**The object and the subject of the research** are correctly and clearly outlined in the introduction.

In the course of the research, the author sets some limitations concerning the different economic agents that make FDI, the time span of the study and the impact of Covid-19 and the war in Ukraine. The research does not consider the influence of the global Covid-19 pandemic and the war in Ukraine as of February 2022 on foreign direct investment. The long-term effects of them are yet to be analysed and estimated. The data from UNCTAD's statistical centre was used with priority, since the data published by NSI and BNB for inward and outward FDI are relatively limited both in terms of volume and a period of time.

**Chapter One**, entitled **Theoretical and Methodological Aspects of Foreign Direct Investments** is developed in a volume of 53 standard pages and has four paragraphs with theoretical orientation. It also analyses the role of FDI in the global and transnationalizing economy, the approaches and models for analysing FDI and also the motives for FDI.

**The second chapter**, entitled **Foreign Direct Investment Trends for the Period 1990-2020** is developed in a volume of 61 standard pages and has two paragraphs primarily with a practical orientation. The structure and dynamics of FDI in world economy are examined and, on that basis, the specific characteristics and the challenges in the variation of FDI in the Bulgarian economy are derived.



**Chapter three** is developed in a volume of 39 standard pages and has three paragraphs. Following the assumptions of Dunning's theorem, Bulgaria's investment development path has been outlined. An analysis of the environment for FDI is also made and guidelines for improving the investment development of Bulgaria are offered.

**The conclusion** summarises the results of the research. FDI is credited as the basis of the transnationalization process of the economy, as the latter becomes a system of production, trade and financial relations just because of them. The following **conclusions** have been drawn: shift of investment activity to the service sector, which determines its leading role for the economic development of the countries; developing countries have an increasingly decisive role in the process of transnationalization of economies; mergers and acquisitions are becoming an increasingly preferred form of foreign direct investment, especially in the years following the global financial and economic crisis; Bulgaria is highly dependent on foreign capital. FDI presence in the Bulgarian economy has had a positive effect on its development, which has been proved by the strong positive correlation between accumulated FDI in our country and real GDP. This confirms the thesis statement of the dissertation, namely that economic development, measured by the economic growth, directly affects the inflow of FDI.

The author has followed the ethical rules in science. She has cited strictly the literature and the Internet sources. A check with the academic anti-plagiarism system found only a few negligible matches.

The author's summary of the dissertation has a length of 51 pages and it shows the most important points in the dissertation correctly, accurately and completely. The scientific and applied-scientific contributions presented in the author's summary of the dissertation correspond to the actual findings in the dissertation paper and are a result of the independent work of the doctoral student.

### **III. Scientific and scientific-applied research contributions of the dissertation**

The dissertation has definite **scientific merits**, which are specified and formulated as research findings by the doctoral student in the author's summary of the dissertation and I cannot deny them.

1. The theoretical knowledge on transnationalization and the importance of foreign direct investments for economic development has been enriched. The motives for making direct investments have been classified according to the main types of FDI.

2. A comprehensive analysis of the dynamics and structure of FDI in the world and in Bulgaria has been made, and given that, three stages in the investment development of our country have been outlined.

3. The dependence between economic growth and net outward investment position was studied, as the investment development path model of J. Danning has been modified, according to the distinguishing characteristics of the development in Bulgaria. The positive impact of FDI on economic growth has been proven using econometric models.

4. The main factors, determining foreign direct investment climate are deduced, and their development in Bulgaria is interpreted. On the basis of that guidelines for improving the investment development of our country are formulated.

In summary: The contributions formulated by the author correspond to the main merits of the dissertation work and they concern the enrichment of the existing knowledge and its application in practice.

Besides, the further reference shows that the doctoral student has a large number of publications in this scientific field, namely one study paper and 8 scientific articles. She participated in a number of conferences with these papers and so they have received appreciation and wide acceptance.

#### **IV. Critical comments, questions and recommendations**

There are no errors, inaccuracies and discrepancies in the dissertation paper. Since the doctoral student's research approach is interesting, the achieved results are indicative and the findings are of indisputable interest, both for the economic theory and for the business practice, I recommend her to give a final form to her research in a book after the defence of the dissertation.

I also have a question on which I would like to hear the opinion of the doctoral student:

**How does she see the investment development of Bulgaria in the five years to come?**

#### **V. General conclusion and opinion**

The research shows the ability of the doctoral student to conduct research independently and it can be qualified an individual achievement of the author, original and significant scientific study, performed with earnestness. The dissertation demonstrates extensive theoretical and empirical research work. The author has good theoretical knowledge of the topic under consideration. The aim has been achieved, the objectives have been fulfilled and the thesis statement has been proven.

Given the above and the outlined merits of a contributing nature, I consider that the dissertation meets the requirements of the Act on the Development of the Academic Staff in the Republic of Bulgaria and the Regulations for its implementation.



On the grounds of all this I certainly propose to the honourable Scientific Jury to award the doctoral student Elitsa Petkova Petkova the educational and scientific degree "doctor", in field 3. "Social, economic and legal sciences", professional direction 3.8. "Economics", in the doctoral program "Political Economy".

24.10.2022  
Svishtov

Signature:  
(Prof. Yordan Vasilev, PhD)