

**TO THE MEMBERS OF THE SCIENTIFIC JURY
FOR THE PROCEDURE FOR THE ACQUISITION
OF THE DOCTOR OF THE ESD FOR THE DOCTORAL PROGRAM
"FINANCE, MONEY CIRCULATION, CREDIT AND INSURANCE
(FINANCE)**

OPINION

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Dissertation topic: "Foreign Direct Investment: Economic Growth and Convergence within the European Union".

Research supervisor: Assoc. Prof. Anelia Radulova, PhD

Basis for writing the opinion: Order of the Rector of the Academy of Economics "D. A. Tsenov", - Svishtov, No. 1126/22.11.2023.

The Opinion presented to your attention has been prepared in accordance with the requirements of the Law on the Development of the Academic Staff in the Republic of Bulgaria, the Rules for its Implementation and the Rules for the Development of the Academic Staff in the SA "D. A. Tsenov" - Svishtov.

1. General characteristics of the dissertation work

The thesis submitted for opinion is 163 standart computer pages, of which 149 are main text. It consists of an introduction - 7 pages, three chapters - a total of 132 pages, a conclusion - 6 pages and a list of the literature used - 4 pages with 118 sources, by Bulgarian and foreign authors. In support of the presented text on the subject, 24 tables and 17 figures and 3 applications are presented. Certainly,

the topic of the dissertation work is well chosen with significance for theory and practice. To a large extent, the relevance of the research done by the doctoral student is determined by the fact that foreign direct investments play a direct positive role in the development of national economies.

The object and the subject of research of the dissertation work are correctly presented, as the object of the research is the flow of foreign direct investments in Bulgaria and the EU member states from Central and Eastern Europe, and the subject - with a focus assessment of the intensity of foreign direct investments in Bulgaria and their impact on the degree and speed of convergence within the European Union. The main research objective of the dissertation is to establish the direction of impact of the intensity of foreign direct investment on the economic growth and the degree of convergence of Bulgaria and the member countries of Central and Eastern Europe within the European Union.

The research thesis that the doctoral student defends is that improving the investment climate and taking measures to optimize the conditions for increasing the inflow of foreign capital is a prerequisite for economic growth and accelerating the process of real convergence of Bulgaria within the European Union.

For the fulfillment of the main research objective, the following seven **tasks** are formulated in the dissertation:

1. Clarification of the specifics, the form of manifestation and the types of foreign direct investments.
2. Revealing the degree and direction of impact of foreign direct investment on the economic growth of the recipient country and, on the basis of studied theoretical propositions and empirical studies, to summarize the effects of foreign investment flows on the socio-economic development of the host country.
3. Identification of the determining economic and non-economic determinants of attractiveness of foreign direct investments.
4. Analysis of the intensity of net foreign investments, the absolute size and structure of the main components of direct foreign investments and structural transformations of investment flows in Bulgaria.
5. On the basis of a comparative analysis, to analyze the existing dependencies between economic growth (measured by means of basic macroeconomic indicators) and the inflow of foreign capital in Bulgaria and in the countries of Central and Eastern Europe.

6. To construct an econometric model for assessing the degree of convergence in terms of income and foreign direct investment flows in the member countries of Central and Eastern Europe.

7. To assess the degree of impact of foreign direct investment flows on the real convergence of CEE member countries on the basis of macroeconomic indicators significant for economic growth.

To achieve the research goal and the implementation of the main tasks, the dissertation student uses the traditional systemic approach, the methods of theoretical, empirical and comparative analysis and synthesis, of economic modeling, etc. The empirical information was processed with Microsoft Excel and the statistical package IBM SPSS Statistics. The final results are presented using figures, graphs and tables.

The presented abstract has a volume of 44 pages and gives a true idea of the content of the dissertation work. The stylistic and linguistic editing of the development and the concepts used are in accordance with the requirements for the development of a dissertation work in a professional direction 3.8. Economics, and in particular in the scientific direction "Finance, money circulation, credit and insurance". In accordance with the requirements, the abstract objectively and accurately reflects the structure and content of the dissertation work.

2. Assessment of the form and content of the dissertation

The dissertation presented for opinion undoubtedly examines current and relevant problems for practice. These are the problems related to the assessment of the degree of influence and scope of impact of foreign direct investments on the economic growth in Bulgaria, assessed according to basic macroeconomic indicators. When examining the questions raised in the work, the author categorically substantiates his opinions. The presentation on the subject is well structured. A good style of expression can be noted. The skillful use of different methods in carrying out scientific research should be positively evaluated. A wide range of specialized literary sources were studied, including fundamental monographic works of Bulgarian and foreign authors, on problems of economic theory and practice, as well as current normative documents.

In the introduction, the topicality of the topic is justified, the main structural elements are briefly and clearly defined, including the object and subject of the research, the scientific thesis, the main goal, the main tasks and the methods used to carry out the scientific research.

In the first chapter of the dissertation, the author examines issues related to the specifics and forms of manifestation of foreign direct investments. Definitions existing in the scientific literature were thoroughly analyzed, based on which six characteristics of foreign direct investment were derived. The view is substantiated that the main four leading motives for making investments in a country foreign to the investor are: markets, assets, natural resources and the search for efficiency. Based on an in-depth analysis of a number of scientific publications, regarding the degree and direction of impact of foreign direct investment on the economic growth of host countries, the author notes that there is a lack of consensus on the effects of foreign direct investment. In this regard, the doctoral student presents to the attention of the scientific community four main reasons for the presence of ambiguous findings regarding whether foreign flows positively or negatively affect growth (p. 14 and 15 of the abstract). At the end of the presentation in the first chapter, based on the review of the scientific literature related to the identification of the economic and non-economic determinants of the attractiveness of foreign direct investments, the doctoral student formulates four main conclusions. (pp. 15, 16 of the abstract).

The second chapter of the dissertation is of an analytical nature. The PhD student focuses on the investment environment and policies for attracting foreign investments in Bulgaria. For the purposes of his research, the author analyzes the presence of legal norms that are particularly important for the attraction of foreign capital in Bulgaria. On the basis of statistical data, it analyzes the dynamics and rate of change of foreign direct investment flows in Bulgaria for the period 2010 - 2021. The sectoral structure of foreign direct investment and domestic investment in fixed assets are comprehensively examined. The results of the calculated coefficients of absolute structural differences by industry have been correctly allocated a place. The average annual integral coefficients of structural differences of foreign direct investments in fixed assets and domestic investments by year for the period 2010-2021 were studied. It is emphasized that the established disparities could be perceived as an assessment of the preferences of foreign and local investors towards certain branches of the Bulgarian economy.

The third chapter of the dissertation is dedicated to clarifying the question of whether and to what extent the flows of foreign direct investments influence the ongoing processes of socio-economic convergence of the member states of Central and Eastern Europe, and Bulgaria in particular. Based on the analysis of scientific research and based on the results of empirical research, regarding the relationship between direct foreign investment and the real economic convergence of the member states within the European Union, the doctoral student concludes that the integration of less developed countries into The EU is making them more

attractive for foreign capital initially within the existing economic clusters, and then gradually extended to the peripheral territories along with the expansion of infrastructure. A comparative analysis was made regarding the dynamics of incomes and the inflow of foreign direct investments in the member countries of Central and Eastern Europe, as a result of which five essential generalizations were logically deduced, including that at an average annual growth rate of foreign direct investments in the countries of the European Union 4.12 %, for the analyzed period Bulgaria reports an average annual growth of only 3.29 %. In our opinion, the comparative analysis of economic growth and the dynamics of foreign direct investment flows in the countries of Central and Eastern Europe, the summaries drawn and the proposed recommendations for the impact of direct foreign investment flows are the high degree of elaboration of the researched problem and an important contribution of the dissertation work. foreign investments on the real convergence of the member states of Central and Eastern Europe.

In the conclusion of the dissertation, the author formulated and summarized the results of the research and presented the most significant trends of the influence of foreign direct investments on economic growth and the degree of convergence of Bulgaria within the European Union.

The in-depth reading of the dissertation work and the declaration of originality presented by the doctoral student allow us to conclude that the work is an independent scientific study and has a finished form, and the formulated conclusions and recommendations in each of the three chapters and, of course, the scientific and scientific - applied contributions, give reason to note that the doctoral student possesses the necessary theoretical knowledge in the scientific specialty "Finance, money circulation, credit and insurance", as well as skills to carry out independent research, which is one of the important requirements of the Law on the Development of the academic staff in the Republic of Bulgaria. In its entirety, the exposition on the subject is logical. The main research objective formulated in the introduction of the dissertation has been achieved, and the research thesis has been proven.

The doctoral candidate submits only two publications on the subject of her thesis, in particular two studies indexed in the NCID Rev. 2, which give her the minimum number of points required (30), a requirement for obtaining the title of 'Doctor' in higher education 3. Social, economic and legal sciences, vocational field 3. 8. Economy and finance. The following documents are also important: Guidelines for future research on the topic of the dissertation and a Guide to the scientific and scientific-applied contributions to the dissertation.

3. Scientific and applied scientific contributions to the dissertation

For the public defence, the applicant has submitted a thesis, an author's report on it and all required parts thereof, including: Relevance, Directory of scientific and applied scientific contributions to the dissertation, List of publications of the doctoral student, Guidelines for future research on the topic of the dissertation, Directory of compliance with the national requirements under the Regulations for the application of the Law on the development of the academic staff in the Republic of Bulgaria and Declaration of originality of the dissertation. Certainly the dissertation presented is thorough, with a precise structure. It contains new scientific ideas of scientific and scientific-applied relevance. I accept the contributions made in the attached reference by the doctoral student which actually reflect the work of the doctoral student and her results in the presented thesis research.

4. Questions and recommendations on the dissertation

My recommendation to the doctoral student is to continue and deepen the carrying out of applied research in this very important and significant for theory and practice topic - foreign direct investments and their impact on economic growth in the Republic of Bulgaria, and to publish the results achieved, both in Bulgaria and in other countries.

5. Summary of findings and opinion

In conclusion, I would like to note that the submitted dissertation and the author's report on it meet the requirements of the Law on the Development of Academic Staff in the Republic of Bulgaria and the Regulations for its Implementation and the Regulations for the Implementation of the Law on the Development of Academic Staff at the Economics Academy "D. A. Tzenov"- Svishtov.

All the above, the summaries made in this opinion and, of course, the positive assessment of the scientific and applied scientific contributions presented in the author's thesis give me reason to conclude that the dissertation has the necessary qualities and its author Anna Dimitrova Petkova has theoretical knowledge, skills and abilities to carry out scientific research using modern methods and approaches.

Therefore, I give a positive evaluation to the thesis on the topic “Foreign investment: economic growth and convergence within the European Union” and, with full conviction, I propose to the members of the esteemed Scientific Jury to vote for the award of the educational and scientific degree “Doctor” in the professional field 3.8. Economics, specialized in finance, money, credit and insurance (finance) by Anna Dimitrova Petkova.

December 20, 2023

Burgas

Prepared the opinion:

Assoc. Prof. Gergana Nikolova-Raleva, PhD