

OPINION

**regarding procedure for the acquisition of an educational and scientific degree
„Doctor”, Doctoral programme „Political Economy“, Academy of Economics
„D. A. Tsenov“ - Svishtov**

Reviewer: Assoc. Prof. Stela Stoyanova Raleva, PhD, Department of Economics, Faculty of Economics and Business Administration, Sofia University „St. Kliment Ohridski“, Professional field 3.8. Economics, Scientific specialty „Political Economy”.

Author of the dissertation: Elitsa Petkova Petkova, lecturer at AE „D. A. Tsenov“ – Svishtov, PhD student d060222103, Field of higher education 3. Social, economic and legal sciences, Professional field 3.8. Economics, Doctoral programme „Political Economy”.

Topic of the dissertation: Foreign direct investment - a basis for the transnationalization of the economy.

Grounds for the submission of the opinion: member of the scientific panel for a procedure for the acquisition of an educational and scientific degree „Doctor” pursuant to Order № 848/3 October 2022 of the Rector of AE.

I. General presentation of the dissertation:

The dissertation work represents a comprehensive, independent and in-depth study of a very complicated and multilayered issue of economic theory and practice. It has clearly presented object and subject matter of the research, which refer to foreign direct investments and its role in the transnationalization of the economy and investment development of Bulgaria respectively. The research objective is to analyze the main trends and factors of foreign direct investment and to identify the peculiarities and prospects for investment development in Bulgaria as part of transnational processes. This objective is formulated correctly and is specified through a set of four research tasks.

The dissertation has 183 pages and contains 166 pages of main text, three appendices and a bibliography. The main text is structured into an introduction, three chapters and a conclusion, with a list of abbreviations used at the beginning.

The chosen structure of the dissertation is logical and well-balanced and fully corresponds to the main objective and specific tasks of the study.

In the introduction, along with the object and subject, aim and task of the study, the research thesis is precisely defined, the theoretical and methodological basis of the study is clarified in a synthesized form and the most important limitations of the analysis are outlined.

The first chapter is theoretical and methodological in nature, and it examines the essence of globalization and internationalization, discusses the role of FDI in the internationalization process, clarifies the approaches and models for analyzing FDI and characterizes the motives for its implementation. The second and third chapters are empirical ones and are devoted to the study of trends in FDI dynamics and investment development in Bulgaria respectively. In the second chapter, two main thematic centres are formed, related to the study of changes and structure of FDI in the world and Bulgarian economy. The third chapter analyzes the investment development in Bulgaria according to J. Dunning. It provides comments on the characteristics of investment environment in Bulgaria and outlines guidelines for the development of a comprehensive policy for FDI stimulation.

The conclusion briefly summarizes the most important conclusions of the analysis.

The content of the dissertation shows the author's profound theoretical background on the nature of FDI, its determinants and impact on the transnationalization and development of national economies, as well as her very good skills to carry out a comprehensive empirical analysis. Thanks to those skills, she arrives at interesting results which ensue directly from the conducted research.

The dissertation is characterized by a very high level of information provision, which can be judged by the presented list of 148 sources, 100 of which are in English. It is necessary to note the presence in this list of a significant number of publications by Bulgarian authors, which is not a common practice recently and which shows a very good knowledge of the degree of elaboration of the studied issue in the Bulgarian economic literature. To this should be added the use of a large variety of empirical data in different structural dimensions, which are reflected in 33 figures and 5 tables included in the text and the first annex, as well as the econometric analysis on their basis conducted and presented in the next two annexes.

II. Assessment of the dissertation format and content

The issue of FDI and its impact on the transnationalization of the economy is of particular relevance in the aftermath of the Great Recession and the subsequent crises of COVID-19 and rising energy prices, which have caused a marked slowdown in the pace of globalization. This slowdown applies in various degrees to different dimensions of the globalization process - international trade in goods and services, international labour migration and international capital movements - which raises the question of analyzing the dynamics of FDI, examining its structural characteristics and tracing its two-way relationship with the changes in economic activity. In this sense, the aim and objectives set by the dissertation are very complicated and represent a serious scientific challenge that should be appreciated on its merits. Moreover, the empirical analysis in the dissertation was carried out at two levels - world economy and Bulgarian economy, which can only be done in the presence of serious knowledge of macroeconomics and international economics.

Thanks to the precisely formulated initial premises of the study, its orderly and logical structure, its very good information base and the selection of appropriate research methods, the author manages to convincingly defend her research thesis that FDI is influenced by the state of the economy and simultaneously affects the economic growth and investment development of the country. Particularly impressive is the dissertation's emphasis on the structural characteristics of FDI in different sections – inflows and outflows, by economic sectors and industries, by geography, by investment methods, by type (by the balance of payments elements), etc., and that structural analysis was carried out at a very good scientific level.

The volume of the dissertation meets the established academic standards. The style is clear and understandable and the categorical apparatus is used professionally. The selected research tools are appropriate for the analyzed problems and they were applied with the sufficient correctness.

The summary of dissertation has 51 pages. It includes a general description of the nature and content of dissertation and provides a brief presentation of its individual parts. It also comprises a reference of scientific contributions, a list of publications, a reference to the fulfillment of the minimum national requirements according to the Rules for the Implementation of the Act on the Development of Academic Staff of the Republic of Bulgaria and a declaration of originality. My overall assessment of the summary of the dissertation is that it presents correctly, accurately, and with the required explicitness the main points in the dissertation.

In the summary of the dissertation the author presents a list of 3 publications related to the dissertation, which are papers from one national and two international scientific conferences organized by the AE „D. A. Tsenov“. From the titles of the publications it becomes clear that they are dedicated to important parts of the dissertation.

III. Scientific and applied results and contributions

The most important scientific and applied contributions and results of the dissertation can be summarized as follows:

First: The author's systematization of the main theoretical views on the transnationalization of the economy and the role of FDI, the characterized microeconomic and macroeconomic reasons for the international movement of capital and the most important benefits derived from it, the highlighted individual stages in the investment development of a country, the clarified motives for direct investment abroad and the related classification of types of FDI.

Second: The conducted structural analysis of global FDI, based on different structural dimensions, the outlined increasing role of FDI in the tertiary sector at the expense of industry and increasing relative share of investment in and from developing countries and transition economies, and the proved faster increase in the mergers and acquisitions compared to the greenfield investment.

Third: The analyzed structural characteristics of FDI in Bulgaria and the obtained results showing an increase in the share of investments in the tertiary sector and in the EU countries, as well as in the reinvested profit at the expense of the decrease of the equity capital.

Fourth: The described trajectory of investment development in Bulgaria through the application of Dunning's theorem, the distinction of three main stages in it, the outlined specifics of these stages and the justified positioning of the country at the beginning of the third stage.

Fifth: The construction of econometric models representing the net external investment position as a function of economic growth and the economic growth as a function of FDI and the positive bidirectional relationship between them demonstrated by the econometric analysis.

Sixth: The characteristics of the FDI environment in Bulgaria and the formulated guidelines for improving the environment and stimulating the investment development of the country.

IV. Critical comments and questions.

Apart from the outlined positive aspects of the dissertation, a few critical remarks can be made. It would be useful if it included more technical characteristics of the models in the econometric analysis and described the way of setting the variables. It would then become clear why the dissertant was working with the levels instead of the first and second differences of the variables, which would also help the way of interpreting the econometric results. The dissertation would also benefit if the introduction included more detailed

justification of the relevance of the topic. The above-mentioned comments do not affect the overall very positive attitude towards the dissertation.

Question: What are the expectations of the dissertant for the dynamics of FDI in and out of Bulgaria after the prospective country's accession to the euro area?

V. Summarized evaluation of the dissertation and conclusion.

The presented dissertation represents a topical, in-depth, comprehensive and original study of a very complicated scientific problem. It is developed at a very good level, is distinguished by high information provision, includes the use of appropriate research methods and contains undeniable scientific and applied results and contributions. Considering all this, as well as the compliance with the minimum national requirements of the the Act on the Development of Academic Staff of the Republic of Bulgaria and the Regulations for its implementation, I confidently give my positive assessment of it and with full conviction I propose to the members of the esteemed scientific panel to award the educational and scientific degree „Doctor“ to Elitsa Petkova Petkova in the professional field 3.8 Economics, doctoral programme „Political Economy“.

7 November 2022

Reviewer: .._____

(Assoc. prof. Stela Raleva, PhD)