

OPINION

of a member of the scientific jury,
selected by Order No. 848/03.10.2022
of the Rector of D. A. Tsenov Academy of Economics,
concerning a dissertation for obtaining the educational and scientific degree "Doctor"

Prepared by: Prof. Lyuben Dimitrov Kirev, PhD, field of higher education 3. Social, economic and legal sciences", professional direction 3.8. Economics

Author of the dissertation: doctoral student Elitsa Petkova Petkova, doctoral program "Political Economy"

Topic of the dissertation: "Foreign direct investments – a basis of the transnationalization of the economy"

I. General presentation of the dissertation paper

1. Subject

The research subject of the dissertation is "the role of foreign direct investments for the transnationalization of the economy and for the investment development of Bulgaria". The aim is "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. In order to achieve the aim of the study, four research objectives are stated, which correspond to the structure and the content of the dissertation. The thesis statement is "that the inflow and stock of foreign direct investments (FDI) are determined by the degree of development of a given economy, and the FDI attracted, on the other hand, create preconditions for economic growth and further investment development of the country. This predetermines the need to conduct a stimulating policy towards FDI. The aim and the objectives of the dissertation were successfully fulfilled, the research methods stated (historical, logical, analysis and synthesis, inductive and deductive, statistical and mathematical) were skilfully used, which led to a successful defence of the thesis statement.

2. Length

The dissertation has a length of 183 standard typewritten pages. The study has a graphical and tabular presentation which is composed of 33 figures and 5 tables.

3. Structure

The structure of the dissertation paper can be defined as classical for such kind of research and consists of: introduction; main body that covers three chapters; conclusion; applications; list of references. The structure is logical and it is based on the approach in which specific conclusions are drawn from general ideas. It covers the aim and objectives stated and contributes to the development of the problem and the justification of the thesis statement.

Introduction. It contains all the necessary structural elements for an introductory part. The actuality of the research topic is developed, the object and the subject are defined, the aim and objectives of the research are clearly stated, the thesis statement is precisely formulated, the theoretical and empirical basis of the analysis, as well as the logical and theoretical research methods are ethically indicated. It is important to emphasize the limitary perimeter of the research, which is related to the end year of the period analyzed. The research covers a period up to the year 2020, given the consequences and changes in the issues under consideration, related to the impact of the global Covid-19 pandemic and the war in Ukraine.

Chapter one has the character of a scientific-theoretical presentation of the problem. There the doctoral student demonstrates good knowledge of the theoretical foundations of globalization and transnationalization of the economy, highlights the role of foreign direct investments as the basis of the accelerating processes of internationalization and transnationalization of economic relations and globalization. Theoretical models and approaches for analysing foreign direct investment are thoroughly interpreted. From a theoretical point of view, four main groups of motives for moving production abroad through foreign direct investment (FDI) have been distinguished, and on that basis the main types of FDI have been synthesized. The concluding paragraph of the first chapter, devoted to the impact of new information and communication technologies on the motives for foreign direct investment, can be considered an indisputable achievement.

The second chapter can be defined metaphorically as a panorama of the structure and dynamics of FDI in the world economy and in our country for the period 1990-2020. Inward and outward flows and stocks of FDI in the world, their dynamics, geographical and sectoral structure are examined for a sufficiently long thirty-year period. Both main investment methods are pointed out, which in my modest opinion, should be part of chapter one. The features and challenges in FDI variation in the Bulgarian economy are also explored. In a comparable manner to the world economy, the analysis for Bulgaria covers the FDI dynamics, its industry and geographical structure, as well as the structure of FDI by elements of the balance of payments.

In the third chapter, attention is drawn to the investment development of Bulgaria, which is shaped by FDI (according to J. Dunning's theorem). The environment for foreign direct investment in the Bulgarian economy has been outlined and on that basis guidelines for improving the country's investment development have been given. It provides the study with a certain practical-applied value.

Conclusion. As an end of the paper the main outcomes and conclusions of the study are presented in a concise and detailed way.

4. Bibliography

The doctoral student used a total of 148 sources, related to the topic of the dissertation, including 100 in Latin (English) and 48 in Cyrillic (45 in Bulgarian and 3 in Russian), plus normative and information sources.

5. Appendices

Three appendices are added in the dissertation paper, including the net outward investment position of Bulgaria (one) and two, which show the correlation and regression analysis of the relationship between GDP per capita and NOIP, as well as between FDI stock in Bulgaria and GDP per capita.

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

1. Assessment of the topicality and the elaboration of the research problem

The problem about FDI and its role for the economic development of countries (inward and outward, positive and negative, policies regarding FDI, etc.) is especially topical and important for the economy and the government of all countries, including ours. These issues are constantly evolving and make the problem open for further research. The low values of FDI in the first decade of the transition to market economy in our country, their significant decline compared to the period 2006-2008, provoke the scientific interest in the analysis of their dynamics, sectoral and geographical structure, the causes, motives and the environment for foreign direct investment, and their importance for the development of our economy. These issues also raise the interest towards the investment development of the country, based on FDI. To these suitably chosen problems, has been devoted the dissertation of Elitsa Petkova. **The study meets the requirements for a scientific research paper and has a suitably chosen topic. It is a complete and finished research with logical structure, successfully achieved research aim and objectives, provided with many information sources.** Many of the FDI issues (dynamics, structure, stimulating and restrictive policy, etc.) have been studied by a number of authors in our country, but the analysis of the country's investment development path has remained outside their scientific interest.

2. Opinion on the language, the volume and the instruments of the dissertation paper

The style of the research is concise, the language is clear and precise. The scientific apparatus is used accurately and properly. The visualization of the problems analyzed by means of figures and tables is at a high level. The information base is rich and it is comprised of authoritative sources such as UNCTAD, IMF, ILO, Eurostat, NSI, BNB. Apparently, the doctoral student has a good knowledge of literature and information sources. In addition to that correlation and regression analysis is used.

3. Opinion on how strictly and thoroughly the author's summary of the dissertation corresponds to the dissertation paper

The author's summary has been done in accordance with the requirements. It presents the content of the dissertation correctly and completely. In addition, the author's summary also contains a List of the scientific findings in the dissertation, a List of publications on the subject, a Reference for meeting the minimum national requirements according to the Regulations on the Implementation of the Development of the Academic Staff in the Republic of Bulgaria Act and a Declaration of Originality. The doctoral student presents three scientific papers on the subject of the dissertation, which contain some of its main ideas.

III. Scientific and scientific-applied findings of the dissertation

The achievements of the doctoral student, which can be defined as contributions can be systematized as follows:

First. An important scientific merit and a contribution of the doctoral student is the investment development path of Bulgaria, which has been outlined in the third chapter, according to the theorem of J. Dunning. There, a world-famous theory, recognized by the scientific community, has been tested in the Bulgarian conditions. As a result, three stages of the investment development after 1990 have been substantiated with objectivity and accuracy. On the basis of a thorough analysis, it has been found that our country is at the beginning of stage three of its investment development path.

Second. It has been found that the features of outward and inward foreign direct investment after 2017 lead to another increase in the net outward investment position, which is not typical for the third stage in the original model of J. Dunning. In order to be explained the observed deviation of the Bulgarian path from the traditional investment development path, the correlation between the net outward investment position and the economic growth has been studied by using appropriate econometric methods. With the results of the analysis, the doctoral student proves the positive impact of FDI on growth. In addition, the investment development path model of J. Dunning has been modified according to the specific characteristics of our economic development.

Third. The motives for foreign direct investment are derived and systematized, according to the main types of FDI. A novelty with contributing importance here is the successful complementation of the theoretical analysis with the impact of new information and communication technologies and the transition to the information society and the new economy.

Fourth. A comprehensive analysis of the structure and dynamics of world FDI (inflows and outflows, stocks, industry and geographical structure) has been made based on an abundant empirical material, derived from authoritative official sources. The same approach has been applied to Bulgaria but rendering an account for the specific features of foreign direct investment in our country and in accordance to that adding an analytical part about FDI according to the balance of payments elements. The development trends of foreign direct investment and the role of FDI for the economic development of the host and home countries have also been traced.

As an achievement should be also pointed, the practical-applied significance of the analyses of the investment environment in our country and the guidelines formulated for improving the investment development of Bulgaria.

IV. Critical remarks and questions, regarding the dissertation

Some critical remarks can be made, which take the form of recommendations, concerning the future scientific and research activity of the doctoral student.

⇒ When formulating the object and the subject of the study, it would be more appropriate to entitle the object "International capital (or production factors) movement", "International investments", instead of repeating FDI in both the object and the subject;

⇒ In § 3 and 4, regarding the environment for investment and the guidelines for improving the investment development, it is mentioned briefly about the rule of law and the good regulatory framework, without referring the problem of judicial reform. Even A. Smith points out that "the flourishing and the strengthening of the state organism is possible only under a regime of perfect freedom and perfect justice", not only of legal norms, but also their impartial application. Fair justice will not fight corruption, but it will reduce it.

⇒ It could have been performed greater thoroughness of the exposition in some of the paragraphs and subparagraphs (§ 1.4 of chapter I and subparagraph 2.1.3 of chapter II). Some of the statements in chapter III, regarding the improved quality of Bulgarian education and the stable political environment in our country are overstated.

⇒ In order to reach symmetry with the number of the contributions, I will make two more remarks of an editorial nature. The first one concerns the use of the established terms in the theory, practice and scientific literature in the world and in our country "TNC" and "receiving countries, recipient countries or the foreign term "retsipienti"), which were approved by a decision of UNCTAD and ICOSOS as early as 1973;

The study would have benefited if a brief summary with conclusions had been made after each paragraph (even though it was only a short section), rather than making them after each chapter. For example, after § 4 of chapter I, there are 4 separate conclusions, concerning the 4 paragraphs (the three of them with length of 5 lines each). This way, the logical conclusion of the paragraphs is missing.

All these comments are not of a particular importance and do not question the merits and findings of the dissertation.

I want to ask the PhD student the following **question**:

Has the old era of globalization as a process of creating a single world integrated economy, with free movement of goods, services, people and capital, ended, on the background of the current fragmentation in the world, with growing economic nationalism, autarky policies, disrupted supply chains, trade and investment only with friendly countries, imposition of sanctions, etc.? Is it possible to combine the geopolitically parted world (currently emerging bipolar) with a unipolar, unified global economy?

V. Assessment summary of the dissertation paper and conclusion

The dissertation is devoted to a modern and significant problem for the theory and practice. By developing it, the author demonstrates a very good theoretical preparation, correct use of literature sources, skills to analyse and rationalize known concepts and theories, to apply them in the existing practice successfully, as well as to make recommendations for its improvement. The dissertation is a complete, finished and independent scientific study that meets the requirements for obtaining the educational and scientific degree "Doctor". My assessment is entirely positive and on the grounds of that I would like to propose to the respected members of the Scientific Jury that we vote for the awarding of the educational and scientific degree "**doctor**" in the doctoral program "Political Economy" to doctoral student **Elitsa Petkova Petkova**.

Sofia, 27.10.2022

The opinion is prepared by: _____
(prof. Lyuben Kirev, PhD)