

**REVIEW**

**by Prof. D.Sc.(Econ.) Neno Pavlov**

**Reference:** *competition for occupation of the academic position of Associate Professor in the field of Social, Business and Legal Sciences, professional field – 3.8. Economics (Socioeconomics, Economic Analysis of Law – in Bulgarian and English), announced for the needs of Sofia University “St. Kliment Ohridski”, State Gazette, No. 93/26.11.2019, according to a Decision of the Academic Council.*

**Position of the presenter the review:** member of the Scientific Jury on the procedure for occupation of the academic position of Associate Professor, professional field – Economics, decision of the Faculty Council of the Faculty of Economics.

**Candidate for occupation of the competition’s academic position of Associate Professor:** *Dr. Milen Mitev Velushev*, lecturer at Sofia University “St. Kliment Ohridski”.

**Basis for writing the review:** Order No. ПД 38-17/13.01.2020 of the Rector of the University and a Decision of the Scientific Jury from the Constituent Meeting.

**Requirements regarding the format and content of the review:** The Act for the Development of the Academic Staff in the Republic of Bulgaria, the Rules for its Implementation, the Rules for the Conditions and Procedure for Acquisition of Academic Degrees and Occupation of Academic Positions at Sofia University “St. Kliment Ohridski”, the academic practices in the review and evaluation activity upon selection of an Associate Professor.

**I. Brief information about the candidate in the competition**

Dr. Milen Mitev Velushev, was born on 25.06.1972 in the city of Sofia. He finished his secondary education at the 7<sup>th</sup> Unified Polytechnic Secondary School in the city of Sofia (1990). He acquired a Master’s Degree in Finance at the University of National and World Economy (1996). He was awarded the education and scientific degree of Doctor following doctoral studies (20.07.2012-15.06.2015), professional field – 3.8. Economics in the Faculty of Economics of Sofia University. He specialized in Finance and Investments at Georgetown University, USA (2001).

The beginning of Dr. Velushev’s academic career is associated with holding the position of part-time assistant at the University of Forestry, city of Sofia, since 1999, and since 15 September 2015 – Chief Assistant at Sofia University “St. Kliment Ohridski”. The candidate has acquired professional practical experience in the position of Director of Foreign Exchange Operations (1993-2006), Tax Expert at the General Administration of Tax Administration at the Ministry of Finance (1997), manager of various companies (2005-2009), receiver (1998 to date), corporate finance consultant (2010 to date).

He is fluent in written and spoken English and Russian.

The candidate’s scientific interests are in the fields of classical economics, behavioral economics, socioeconomics and economic analysis of law.

The CV summarizes the candidate as **a proven academic lecturer with extensive practical experience, clear career focus and research competences in the professional field of the competition procedure opened.**

The submitted scientific work and the package of official documents are legally formulated **for the purposes of the evaluation and decision-making regarding the selection of the candidate to occupy the academic position of Associate Professor. In the procedure announced I have not identified any formal and administrative omissions or violations.**

## **II. Evaluation of the research (creative) activity and scientific results of the candidate**

### **2.1. Volumetric and structural characteristics of scientific publications**

The evaluated scientific and research activity of Dr. Velushev covers publications from various scientific genres and academic activities:

*Firstly, monographs* – 2 pcs. (20%), 311 pages in total; **papers** – 3 pcs. (30%), 71 pages in total, including in Web of Science edition – 1 paper – 28 pages in total; **co-authored papers** – 2 (20%), 64 pages total; **scientific articles** – 3 pcs. (30%), with a total volume of 21 pages, including participation with sectional reports in two conferences in the last three years.

As regards the subject matter, the publications cover scientific fields in classical economics, socioeconomics and economic analysis of law.

Most of the submitted publications /80%/ are self-developed, except for two co-authored papers, where the participation of the two authors is distributed equally according to the current standard of Sofia University “St. Kliment Ohridski”. Most of the publications are in Bulgarian – 8 pcs., and in English – 2 pcs.

*Secondly, citations of author’s works* evaluating the attitude and interest of the research community to the problems being developed and the scientific results achieved. From the submitted reference sheet, citations in scientific monograph editions and collective volumes with scientific peer review are established, forming a total of 65 points, thereby exceeding the national and internal university scientometric requirements (Table 1).

My opinion is that the subject matter of the scientific and research activity of Dr. Velushev is focused entirely on the professional field within which the competition has been announced. It was completed after acquiring the education and scientific degree of Doctor.

The results of the scientific research are sufficiently publicized, known and appreciated by the academic and expert community within the total number of publications made, as well as through participation in scientific forums and discussions with national and international participation.

My overall evaluation is that, in their entirety and content, the publications submitted for evaluation meet the requirements of the Rules for the Conditions and Procedure for Acquisition of Academic Degrees and Occupation of Academic Positions at the University. A habilitation thesis has also been submitted, which accurately fulfills the requirements of Art. 29, para. 1, item 3 of the Act for the Development of the Academic Staff in the Republic of Bulgaria for occupation of the academic position of Associate Professor.

### **2.2. Quantitative evaluation of the compliance with the minimum scientometric national requirements and the requirements of the Rules of the University**

On the basis of the information in the attached reference sheet on the fulfillment of the minimum scientometric requirements for the occupation of the academic position of Associate Professor in the professional field of Economics at Sofia University “St. Kliment Ohridski”, I hereby confirm that both in respect of the individual groups of indicators and in total Dr. Velushev meets and exceeds the minimum number (400) of points as per the state and university standard with his total of **435 points** accumulated, based on the scientific studies

and academic activities submitted for evaluation under the competitive procedure (Table 1). The table does not find any quantitative criteria that have not been met. My opinion is that the various groups of indicators and national criteria for quantitative evaluation of the scientific value of the candidate's publishing activity have been applied adequately, accurately and earnestly.

**Table 1. Meeting the minimum scientometric national requirements and the requirements of the Rules of the University on the part of the publications and scientific activity**

Group of indicators	Minimum requirements (points)	Results of the candidate (points)
A	50	50
C	100	100
D	200	220
E	50	65

### 2.3. Evaluation of submitted monographs or equivalent publications in specialized scientific journals

Pursuant to the Act for the Development of the Academic Staff in the Republic of Bulgaria, the candidates for occupation of the academic position of Associate Professor are evaluated as per a set of criteria and indicators for scientific and research activity. I accept *the publications submitted by the candidate and the reference sheet with scientific contributions* as a credible academic expression and scientific accuracy.

Dr. Velushev's monograph is entitled "*Analysis of the Education Market: Peculiarities of the Bulgarian Education System*", Tsenov Academic Publishing House, Svishtov, 2019. It consists of a total of 173 printed pages structured as follows: introduction – 4 pages, two chapters – 119 pages, conclusion – 7 pages, bibliography – 6 pages, including 14 works in the Cyrillic alphabet and 54 in the Roman alphabet, and appendices – 24 pages.

The author's **research thesis** is too ambitious – to prove that the concept of a state-regulated and funded education system in modern democratic societies with a market economy presupposes the presence of more interested countries in the education process than the existing economic theory identifies. On the basis of stakeholders, it is possible to identify the possibility of creating a balanced model of the contemporary education market. By means of the latter, on the basis of a comprehensive approach, the political, financial, social, institutional and moral and ethical aspects of the risks affecting the development of each education system and its quality, can be analyzed and evaluated, including in Bulgaria.

The first research hypothesis defined is that the current economic theory of education does not sufficiently account for all the essential features of the knowledge economy and, in particular, the role of the state in the provision of education services. The second hypothesis emphasizes that the interests of the state in the implementation of the education process are not identical with the public needs and interests in the field of the quality of the education provided. On this basis, the author also makes the third hypothesis that state-regulated education provides a complex service in terms of composition and nature, on which market both asymmetric and incomplete information and limited consumer rationality are observed. The author's leading objective is to justify the development of a realistic model of the education market, through which to analyze the market equilibrium and the possibility of increasing the efficiency of the resources used.

The detailed, in-depth analysis of the secondary and higher education systems in Bulgaria can be considered as an empirical confirmation of the validity of the research hypotheses developed in the monograph.

For the attention of the scientific community and of the political and managerial practice, the candidate presents a monographic study with concrete results that have the character of scientific and applied achievements in the following directions:

*Firstly*, the complementarity, further development and enrichment of leading theoretical formulations in the field of the education market, the content and complexity of the education service as a market product, the complexity of education as a subject of a market transaction.

*Secondly*, the complementarity and summation in a discussion of the concept of stakeholders in the education process based on knowledge in economic, sociological, political and philosophical theories identifying the specific activities of four different economic agents: the state, the ruling elite, parents and students. The main characteristics of their motives for their participation in the market are identified. In discussing the motives of education seekers, in addition to the importance of socioeconomic status, the theory of investment has been used, analyzing the difficulties in determining the appropriate discount factor by which service users can orient themselves in the demanded quantity and the desired quality of the service.

*Thirdly*, the attempt to identify and understand the motives of education providers, through a parallel between the state and the ruling elite, presented in a convincing way by Thomas Hobbes. The parallel justifies the thesis that the state and the ruling elite have different interests in terms of the quality of the education service provided. The candidate believes that it is the combination of these interests (of the two components) that determines the quality of the service offered in the education environment. Therefore, on the one hand, there is the “indoctrination” component of adolescents in order to accept and adapt to the status quo and, on the other hand, the “human capital formation” component in order to promote economic growth. Dr. Velushev regards this as “the established technology for the provision of state-regulated education”.

*Fourthly*, the author’s idea of balanced establishment of the systemic place of teachers, taking into account their functional transmission role, through which the combination of indoctrination and human capital formation imposed by the ruling elite shall reach the trainees. On this basis, the author draws the key conclusion that this transmission role can correct the administratively imposed combination in the quality of education, changing it either in the direction of indoctrination or of human capital formation. The proposal is for the education system to get out of the control of the executive branch and gain independence, similar to the judiciary, in order to limit the overregulation and disregard of the psychosocial aspects of student development when preparing curricula.

*Fifthly*, the proposed methodological schemes and tools for analysis, evaluation and reasoned presentation with evidence and up-to-date empirical information on the new challenges facing the higher education system in Bulgaria. The candidate for Associate Professor justifies solving the same with the need for fundamental changes in the regulatory framework, the change of the state funding model of higher education institutions based on the number of students enrolled, the radical reform of the strategic state policy for improving the quality and stimulating scientific activity in the higher education institutions.

*Sixthly*, the author’s proposals regarding important underlying documents for regulatory impacts on the development of higher education are strategically oriented. In this respect, the complex analysis of the Strategy for Development of Higher Education in Bulgaria for the 2014-2020 period is worth considering. The principal findings are that most of the envisaged long-term measures to improve the quality of higher education are generally ineffective and some of them are also inapplicable, as well as that the Strategy does not fully take into account

the specific long-term problems and does not lead to achieving the previously declared target results.

#### **2.4. Content description and evaluation of scientific publications outside the habilitation thesis**

In his publications outside the habilitation thesis, the candidate examines existing theoretical assumptions, actual processes and solutions in the practice, answering applied questions related to the scientific direction of the competition. The specific results, having the character of scientific and applied achievements, outside the monograph can be summarized in the following directions:

1. Applied logical approach and tools for complex analysis of the behavior of multinational companies on the territory of underdeveloped host countries. The opinion of Dr. Velushev is that this behavior is too specific and depends mainly on the peculiarities of the investment environment in the host country. His conclusion is that any foreign direct investment needs a combination of investment activities that achieve economies of scale, comparative advantages or market failures in the host country.
2. Empirical summaries and findings of direct and portfolio foreign investors in relation to their main characteristic: expected return on investment. An attempt is made to model the returns on both types of foreign investors and to argue that foreign direct investors will seek a higher rate of return by exercising full control over the investment in order to minimize the specific risks involved. The candidate defends the hypothesis that in the conduct of portfolio foreign investors, the part of the returns associated with the exercise of full control will be “sacrificed” at the expense of relinquishing control and diversifying the specific risk. He defends the conclusion that the two types of foreign investors will have different rates of required return and this circumstance will mainly affect the location selection of foreign investments.
3. A detailed comparative analysis of the concept of heterogeneity of multinational companies, arguing their ability to generate higher rates of return in their foreign direct investments and identifying both sources of that return: economies of scale and X-efficiency due to “exploitation” of market failures in the host country.
4. In-depth analysis and summaries in a separate scientific study of the procedure for closing the Corporate Commercial Bank. Emphasis is placed on the deeds by the Board of Directors of the Bulgarian National Bank on the bank’s closure, the processed capital flows in the balance of payments and the statistics on credit activity, in order to determine the actual scale of the economic consequences and the necessary resources to deal with the resulting distrust in the banking system by the corporate borrowers.

### **III. Evaluation of lecturing activities**

As a lecturer at the Faculty of Economics, Chief Assistant Velushev performs a sufficient volume of in-class and out-of-class teaching and pedagogical work in full-time, part-time and distance form of the education and qualification degrees of Bachelor and Master in the following academic courses related to the announced subject of the competition: “Modeling of financial processes in start-ups”; “Economic Analysis of Law”; “Personal Finance”; “New Economic Phenomena”; “Introduction to Economic Theory”; “Microeconomics” (Master’s degree); “Microeconomics I” (English).

According to the information provided in the last three consecutive academic years /2016-2017; 2017-2018; 2018-2019/ he achieved an average workload of 435 hours of in-class work and 112 hours of out-of-class work. He reported scientific guidance of 5 Master’s theses and reviews of 6 Master’s theses. He is an administrator of the Master’s program of Economics and Law.

The described teaching and methodological work presents the candidate as a trained and qualified **lecturer, with the ability to continue to develop his potential at a qualitatively higher academic level after habilitation.**

#### **IV. Evaluation of the originality of the works submitted and the reliability of the scientific data analyzed**

My conclusion is that no matter what kind of publications is concerned, in his scientific and research activity the candidate for Associate Professor exhibits scientific integrity, professional competence, consistency, ability to systematize and critically comprehend information and methodological approaches in the subject area, to define scientific problems with guidelines for solving them, to link scientific research with its practical applicability. The information used is of a high degree of authenticity and there is no doubt as to its relevance. The scientific publications submitted are a personal achievement and a product of the candidate's research. I have not found any direct and indirect data on deviations from the norm of scientific ethics and plagiarism according to the procedure regulated in the Act for the Development of the Academic Staff in the Republic of Bulgaria and the Rules of Sofia University "St. Kliment Ohridski".

#### **V. Critical notes and recommendations**

In the submitted scientific and applied works for participation in the competition I could not point out any weaknesses that would affect the final, positive evaluation in this Review. My recommendation is that the results of the candidate's future scientific work shall gain greater representativeness and accessibility through more scientific publications in reputable national and international scientific literature, referenced and indexed in worldwide databases of scientific information, through participation in prestigious international conferences and forums of experts of higher rank for the benefit of the readers and trainees and the management, political and law-making practice.

#### **Conclusion**

**Becoming acquainted with the career development, the submitted competition materials and scientific publications, the analysis of their relevance, significance, contribution and compliance with the minimum scientometric requirements for their scientific value are grounds to confirm the positive evaluation and recommend to the honorable members of the Scientific Jury that Dr. Milen Mitev Velushev is selected for the academic position of Associate Professor in the professional field of Economics (Socioeconomics, Economic Analysis of Law - in Bulgarian and English), scientific field – Social, Business and Legal Sciences, for the needs of Sofia University "St. Kliment Ohridski", Faculty of Economics.**

City of Sofia, 18.03.2020

Prof.D.Sc.(Econ.) Neno Pavlov