

OPINION

in respect to the competition for the academic position “professor”
at the Sofia University “St. Kliment Ohridsky”

1. General information

The Opinion is prepared by Professor Zoya Kostova Mladenova, lecturer at the Varna University of Economics. The justification for the preparation of the Opinion is order of the Rector of SU “St. Kliment Ohridsky” № RD 38-461/26.07.2019, which points out the members of the Scientific Jury, and also a decision of the Scientific Jury itself at the first meeting of the Jury, which took place on September 12, 2019, about who of the members will write a review and who – an opinion.

2. Data about the competition

The competition for the academic position “professor” is declared in scientific area “Social, business and legal sciences”, professional field 3.8 Economy (Institutional Economics, Behavioral Economics and Economic theories – in English and German). The announcement of the competition is made in State’s Newspaper № 52/02.07.2019. The competition is opened by the Economic Faculty of the SU for the necessities of Department “Economics”.

3. The candidate in the competition

The only candidate in the competition is Assoc. Professor Teodor Sedlarsky. After graduation of Higher School he studies Business administration at the Economic University in Vienna, Austria (1997-1999). In 1999 he becomes a bachelor student at the Economic faculty of the SU, major “Economic management”. He graduates the bachelor degree and afterwards also the Master degree at the Economic Faculty in Business Administration. His academic career begins in 2005 as an assistant professor at the Department “Economics” of the SU, where he is working until now. T. Sedlarsky successfully presents his PhD dissertation in 2009. The dissertation is under the title “Institutions, transaction costs and economic development: the Transition in Bulgaria”. T. Sedlarsky becomes an Associate professor in 2011. His academic activity quickly receives recognition and during the

period 2011 – October 2015 he is Vice-Dean of the Economic Faculty. In October 2015 he is elected as a Dean of the same faculty and he holds this position till present. Since 2014 he is Director of the Centre for economic strategies and competitiveness of the SU. In 2017 he is appointed as a Director of the Educational Services Centre of the SU “St. Kliment Ohridsky”.

T. Sedlarsky has specializations abroad. During the period March-July 2008 he specializes in the field of the New Institutional Economics at the Economic University in Vienna. In 2008-2009 he studies 5 months at the University for economic, legal and social sciences, Sankt Galen, Switzerland under the PhD program “Organization and Culture” (a grant of the Swiss Confederation).

During the last years the activity of T. Sedlarsky takes a public turn, which is a recognition for his qualification and competence. T. Sedlarsky is a Minister of the Economy during January 2017 – May 2017. At present he is a member of the Supervision Committee of Sofia Tech Park.

4. Quantitative and contents characteristics of the publications of the candidate

At the first place it should be pointed out, that Assoc. Professor T. Sedlarsky fulfills the minimum national requirements under Provision 2b of the ZRASRB, area “Social, business and legal sciences”, professional field 3.8 Economy for the academic position “professor”, which is a precondition for allowing him to enter the competition for professor. In the competition the candidate participates with 42 publications. They are distributed by type in the following way:

- ❖ Monographs – 1
- ❖ Chapter of books – 3
- ❖ Studies – 2
- ❖ Articles in scientific journals – 32
- ❖ Short papers – 2
- ❖ Textbooks – 2.

Fifteen of the publications are with a co-author. A serious part of the overall publication are the scientific articles. They expose the author’s ideas and help distribute them in scientific circles. The articles are published in

respectable scientific journals. Three of these articles are in English, one – in German. The publications with co-authors as well as those in foreign language reveal clearly, that Assoc. Professor T. Sedlarsky is integrating successfully in the European research area.

From the point of view of thematic area, the publications of the candidate fall within the following category:

- Economic theory (History of economic thought) – publications in the list of the candidate's publications under № 2, 3, 4, 5, 10, 11, 17, 19, 20, 22, 23, 27, 28, 32, 34, 36, 37, 38, 39, 40.
- Behavioral economic analysis – 1, 14.
- Integration of social status in the conventional economic theory – 1, 7, 9, 13, 29, 31, 41.
- Happiness research – 1, 9, 12, 15, 16, 24, 42.
- Behavioral finance – 8, 21, 26, 33.
- Institutions and economic development – 18, 29, 35.

An outstanding characteristics of T. Sedlarsky's research activity and a strong positive side of it, is the fact that Sedlarsky combines the interest towards history of economic thought (and excellent knowledge of it) with interest towards the most advanced and new directions of modern economic theory – the Economics of happiness, Behavioral Economics, Experimental Economics, Behavioral finance etc.

The key publication of the candidate in the competition – the monograph, deserves the greatest attention. It is under the title “Behavioral and socio psychological dimensions of market order: status, happiness and welfare”, 2019, 346 pages. The monography of T. Sedlarsky consists of introduction and 3 chapters. The list with the literature includes 429 titles.

In the Introduction the author defines his main purposes and tasks and justifies the significance of the problem researched. In line with Bentham's utilitarian tradition, according to which the objective of the economy is to maximize the happiness of the individuals in society, T. Sedlarsky puts forward the key question: what exactly is the happiness, which the economy must maximize?

In chapter 1 the objective of analysis is the social status within the context of traditional economic theory. Under consideration are the establishment of

preferences for status, its relation to the subjectively appreciated welfare, the negative externalities which the increase of the relative status or consumption of one member of society creates for the rest. The author examines the effects of the status race for the contemporary market economies, the motivation to work, the search for goods for conspicuous consumption, the waste of resources, the cultural changes and life styles in modern well-developed societies.

In chapter 2 the author examines in detail the possibilities of the Economics of happiness to improve the understanding of human satisfaction's nature, the factors under the influence of which it is and for escaping the traps, which the peculiarities of human thinking set on the road to its achievement.

Chapter 3 studies the nature of a specific type of market – the winner-get-all market. The author seeks the reasons for the accelerated spread of the so called super star markets, the increasing inequality and other negative effects of its distribution, as well as the consequences for the sustainability of the present socio economic order.

The monograph of T. Sedlarsky is a complete, very interesting and thorough research on the nature and measurement of human satisfaction, and on its consequences for the functioning of the market economy. This is the first and for now the only investigation in the Bulgarian economic science on the social status in the conventional theory and in the Economics of happiness, on its factors and its economic effects. In the book the author analyses the behavioral and socio psychological effects of the terms “status”, “happiness” and “welfare” from the point of view of the most current scientific accomplishments. The monograph reveals T. Sedlarsky as an original and innovative researcher, whose scientific inquires merge in a strong current scientific flow – that of happiness research.

5. Scientific contributions

In the candidate's publications the following scientific contributions can be identified:

1. *History of Economic Thought (Contemporary economic theories)* – as it was pointed out, Assoc. Professor T. Sedlarsky demonstrates a preserved interest towards the development of economic theories in historical perspective. His excellent preparation in the field of the history of economic thought is one of the prerequisites for his in-debt analysis of the

most advanced directions of modern economic thought. This is remarkable, having in mind the clearly demonstrated trend towards neglecting history of economic thought nowadays both in research and education. As the most important contributions of the author in this thematic area can be pointed out the following: on the basis of comparative analysis the methodological similarities and differences between the different schools of thought are revealed; the connection between the formal and informal institutions and economic development is investigated; the characteristics and stages of the institutional and economic progress on the basis of shared brain models and maps of reality are presented; the institutional aspects of sustainable development are researched etc.

2. *Investigation of the economic effects from the race for social status* – the possibility for the inclusion of social status in the conventional economic theory is justified; the effects of the status competition for the functioning of the economy are revealed; further developed is the theory about the functioning of the winner-take-all markets; with the instruments of the behavioral theory is studied the influence of status comparability on the subjective welfare; the measures in the area of economic policy for confronting to the negative effects from the status competition are elaborated; the New institutional analysis is widened by the introduction of the concepts about the power, status competition and cognitive challenges of the expanded choice possibilities.
3. *Economics of happiness* – the use of particular indicators for valuation of the personal subjectively perceived well-being and national level of happiness is proposed; the application of the measurement of happiness in addition to the GDP system in its capacity as an improved orientation for setting the objectives of economic policy, appreciation of its efficiency and the analysis of the effects of economic growth is justified; on the basis of concepts from the New economic history, Behavioral economics, happiness research, the Economics of social status, are revealed the institutional conditions, necessary for sustainable economic growth and social development; the influence of inflation, unemployment and GDP on the satisfaction from life is studied; the influence of the Veblen effects on the individual distribution of time between work and leisure is revealed.

4. *Behavioral finance* - in the traditional finance models the behavioral approach is introduced, which is based on different prerequisites – the markets are inefficient, the market agents are with bounded rationality and that there exist investment balloons. The candidate improves the basic elements of the financial paradigm – the portfolio theory, the model for the evaluation of capital assets and the hypothesis about the efficient markets, which are substituted by the behavioral portfolio theory, the behavioral model for assets evaluation and the hypothesis about the adaptive markets; the principles of Behavioral Economics are applied to public finance within the scope of a new research area – the behavioral public finance; from the point of view of behavioral finance the reasons and the characteristics of the global crisis 2007-2008 are analyzed.

The scientific contributions enumerated above are original and belong entirely to the candidate. The scientific accomplishments of T. Sedlarsky after 2001 should be viewed as a continuation of his interest towards Institutional Economic, especially towards the New Institutional Economics from the previous period. Once again we see T. Sedlarsky as an original and thinking economist, who realizes certain limitations of the orthodox theory and without underestimating it, he aims to enrich and develop theory through the introduction of new instruments, concepts and models, relevant to modern economy.

5. Teaching activity

T. Sedlarsky is an experienced and well known lecturer. At the beginning of his academic career he is having seminars with the students in Microeconomics, Macroeconomics, Money, banking and financial markets, Economic theories, Public Economics. He starts lecturing in his position of a chief assistant professor – lectures in Economic theories, Labor Economics, Microeconomics, Macroeconomics. At present Assoc. professor T. Sedlarsky is lecturing in front of bachelor and master degree students at the Economic faculty of the SU on the subjects Economic Theories, Public Sector Economics and Institutional Economics. At the SU he is lecturing in English and German.

In the period after he became an Assoc. professor, Sedlarsky has written two textbooks: *Economic theories* (History of Economic Thought), 2015, and *International Economics*, 2013 (co-author – H. Albeck). The textbooks are

written with competence and according to contemporary methodic requirements. A very high valuation deserves the 3-volume Anthology “Economic Theories”, compiled by T. Sedlarsky and Prof. At. Leonidov, which is very helpful for the students and for researchers.

The list of the publications of T. Sedlarsky shows clearly that there is a close connection between the scientific and teaching activity of the candidate. The research inquiries of Sedlarsky find immediate application in his lecture work and contribute for the enrichment of students’ knowledge, while part of T. Sedlarsky’s publications are directly oriented towards the education process.

According to the presented documents for the competition for “professor”, Assoc. professor T. Sedlarsky is a scientific instructor of 3 PhD students, who have successfully completed their study.

6. Other

In the period after 2011 T. Sedlarsky has taken part in 11 projects. One of these is an international project, with applied character and is on the topic “Cooperation for exchange of practice in the field of internationalization of SME in Bulgaria and South Korea”. Three other projects are educational, financed by OP “Development of human resources”. The rest of the projects are scientific, covering different problems of interest of the candidate and they are fulfilled in 2012 – 2019.

In the document of the candidate there are presented proofs for citations. According to those proofs, publications of T. Sedlarsky have been cited 26 times. Two of them are in journals, indexed in world famous data bases. Seven are in monographs and collective books with scientific reviewing. The rest are citations in other types of publications.

CONCLUSION

All of the above give me the reason to conclude, that in the face of T. Sedlarsky there is a convincing candidate for the academic position “professor” at the Department of Economics of the Economic faculty of the SU. All the requirements of the ZRASRB are fulfilled. The scientific publications of the candidate and his teaching activity fall exactly within the boundaries of the title of the competition – 3.8 Economy (Institutional Economics, Behavioral Economics and Economic theories – in English and

German). Assoc. professor T. Sedlarsky is an experienced and highly respected lecturer and competent and original researcher. His academic activity is highly appreciated by the academic community. With conviction I will vote positively as a member of the Scientific Jury and I appeal to my colleagues in the Jury to do the same.

The Opinion is prepared by:



(Prof. Zoya Mladenova)

Oct. 16, 2019