

REVIEW

by Assoc. Prof. Dimitar Georgiev Zlatinov, PhD

Faculty of Economics and Business Administration, Sofia University St. Kliment Ohridski

Department of Economics

Regarding: Competition for the academic position of Professor in the professional field 3.8. Economics (Financial Crises and Markets – in Bulgarian and English) for the needs of the Faculty of Economics and Business Administration

Grounds for the review: Member of the Scientific Jury following Order RD 38-274/25.05.2023 issued by the Rector of the Sofia University St. Kliment Ohridski

Information about the competition and the candidate

The competition is for the academic position of Professor in the professional field 3.8 Economics (Financial Crises and Markets – in Bulgarian and English). The competition is announced in the State Gazette, issue 35/18.04.2023, for the needs of the Department of Finance and Accounting of the Faculty of Economics and Business Administration at Sofia University St. Kliment Ohridski.

Only the documents of Assoc. Prof. Victor Ivanov Yotzov, PhD, have been received for participation in the competition. The submitted documents have been prepared in accordance with the requirements of the Act on Development of the Academic Staff in the Republic of Bulgaria and the Rules on the Conditions and Procedure for Acquiring Science Degrees and Holding Academic Positions in Sofia University St. Kliment Ohridski.

Assoc. Prof. Victor Yotzov has a master's degree in economics /Management and Planning of National Economy (Social and Economic Planning)/ from the University of National and World Economy (UNWE). He defended a PHD thesis on “Modelling and Forecasting of Economic Processes in Transition Countries – Theoretical Propositions and Empirical Results” in the Economic Research Institute at the Bulgarian Academy of Sciences (ERI at BAS). Assoc. Prof. Victor Yotzov has specializations in financial programming, financial forecasting, and macroeconomic analysis at several prestigious international institutions (the World Bank, the International Monetary Fund, the central banks of England and Switzerland) where he has built up his competences for research and teaching. Assoc. Prof. Victor Yotzov holds various management positions at the

Bulgarian National Bank and the International Monetary Fund. He has also been a lecturer and researcher at UNWE and ERI at BAS. Assoc. Prof. Victor Yotzov has solid preparation and development in the subject of the announced competition which is evident both from the completed educational and scientific degrees and from his rich professional experience.

Assoc. Prof. Victor Yotzov has taught finance and economics courses as a lecturer at the UNWE, Sofia University St. Kliment Ohridski, New Bulgarian University, International College of Management, Marketing and Trade and International Banking Institute. The courses “Fundamentals of Finance” and “Economic Crises” are conducted in English, which demonstrates his preparation to conduct foreign language courses according to the guidelines of the announced competition.

Assoc. Prof. Victor Yotzov also provides evidence of participation with papers at reputable international and national scientific forums, as well as participation in research and applied projects with national and European funding. He has been a supervisor of two successfully defended PhD students in the field of finance.

The professional CV of Assoc. Prof. Victor Yotzov convincingly demonstrates the profound interest and consistently built capacity for analysis, forecasting and management economical and financial processes.

Meeting the minimum national requirements under Article 26 of the Act on Development of the Academic Staff in the Republic of Bulgaria

According to the report on the fulfilment of the minimum national requirements under Article 26 of the Act on Development of the Academic Staff in the Republic of Bulgaria in the professional field 3.8. Economics for the academic position Professor Assoc. Prof. Victor Yotzov, PhD, exceeds more than twice the quantitative criteria – with a minimum of 550 he has 1129.7 points, including:

- Indicators of group A – dissertation for the award of PhD – 50 points;
- Group B – habilitation thesis, monograph – Yotzov, V. (2021) Financial Crises and Systems for Their Early Detection, Publishing House of Bulgarian Academy of Sciences “Prof. Marin Drinov” – 100 points;
- Group D – monograph, including not presented as the main habilitation thesis, and publications (2 individually prepared studies and 2 co-authored studies in an impact factor indexed journal; 4 chapters of collective monographs, 3 of which individually prepared; 30 studies, articles and reports published in non-refereed peer-reviewed journals or

published in edited collective volumes, of which 25 individually prepared) in scientific papers of different rank and type – 459,67 points;

- Group E, citations and reviews in scientific publications (13 citations in scientific journals refereed and indexed in world-renowned databases and 19 citations in other journals) – 335 points;

- Group F, scientific supervision of PhD students, participation in scientific and applied projects and published textbooks and teaching materials – 185 points.

It is noteworthy that Assoc. Prof. Victor Yotzov focuses his research activity on the analysis of macroeconomic processes in different economic cycle stages, the study of currency regimes and financial markets. The publications presented also have a practical and applied nature. Most of the publications are in English, and they are prepared individually by Assoc. Prof. Victor Yotzov which clearly show his contributions to the topic.

General characteristics of the presented scientific papers

A list of all publications of Assoc. Prof. Victor Yotzov is provided. There are more than 100 publications so one can get an overall picture of both the scientific interests and the scientific work of the candidate for professor. I focus on the list of publications related to the competition. There are 30 publications, incl. habilitation thesis; collective monographs; studies, articles, and reports presented at scientific conferences; a textbook.

The habilitation thesis of Assoc. Prof. Victor Yotzov is dedicated to the up-to-date and important relationship between the financial sector and macroeconomic stability. This topic has become increasingly essential for sustainable economic development after the global financial and economic crisis of 2007-2008. The author emphasizes on methods for detecting and warning of financial crisis at the methodological and empirical level in line with up-to-date research in this area and attempts at G20 and EU level to build such scoreboards.

The monograph also presents the author's achievements in the study of financial (in)stability, which enriches the scientific literature in Bulgarian in this direction. The theoretical analysis is complemented and illustrated with empirical data which puts the theoretical part of the monograph in a concrete context. The theoretical consistency is demonstrated by highlighting the linkages and dependencies between currency, banking, and debt crises, thereby broadening the aspects of the study of financial crises and emphasizing their systemic and macroeconomic nature.

Methodologically, the structure and expected outcomes of early warning models of financial crises are clearly outlined, unambiguously presenting the specificities and difficulties in building them at global level. Different methods of assessing the probability of financial crisis occurrence are discussed in detail, in a comparative and contemporary manner, which enriches the applied aspect of the research. The development of a model of an early detection system for financial crisis with specific indicators and calculation methods is a significant author's contribution. The specificities and potential opportunities for employing the proposed methodology are well explained, which facilitates its applicability.

In one of the selected studies Assoc. Prof. Victor Yotzov examines the impact of foreign direct investment on economic growth, challenging the notion that its effect on the host economy is necessarily unquestionable and necessarily large. Assoc. Prof. Victor Yotzov focuses on the importance of human capital, financial development, and institutions in absorbing capital flows. In another study, Assoc. Prof. Victor Yotzov and colleagues assess the short-term macroeconomic effects of the COVID-19 pandemic, examine the measures taken globally and in Bulgaria's main trading partners and EU Member States, and develop different scenarios for economic development. Another topical issue that Assoc. Prof. Victor Yotzov examines in an individually prepared study is the accession of Bulgaria to the euro area with an emphasis on the initial preconditions, the structure and functioning of the Currency Board Arrangements in Bulgaria and some of the characteristics of the Bulgarian economy. The interest in this topic is also evident from the critical reading of the book by Nobel laureate Joseph Stiglitz "The Euro: How a Common Currency Threatens the Future of Europe" that Assoc. Prof. Victor Yotzov provides in a study.

Assoc. Prof. Victor Yotzov's research is distinguished by critical reflection and argumentation of positions on important economic and financial topics, which emphasizes the author's understanding of the processes in national economy and its specificities. This is evident in the treatment of important socio-economic issues such as income inequality and poverty in Bulgaria; the dimensions and accelerators of catching-up economic growth; the parameters of fiscal policy and its effects on macroeconomic stability; the changing determinants of foreign trade and their relevance for Bulgaria considering international experience. The long-term work of Assoc. Prof. Victor Yotzov as a project leader of the Annual Report of the ERI at BAS, which examines economic development and evaluates the impact of policies on the Bulgarian economy, is also indicative of his strong interest

and consistently and thoroughly developed professional expertise in the field of applied macroeconomic analysis.

Participations in various scientific forums show the focused efforts of Assoc. Prof. Victor Yotzov for active involvement in the Bulgarian economic life. By presenting papers at these forums, the candidate for professor argues and defends his opinions and positions on Bulgaria's accession to the Exchange Rate Mechanism II; some methods for assessing fiscal multipliers and the factors that influence their effectiveness; Bulgaria's post-pandemic development and the challenges to the export-led growth model in the medium term; the effects of the tax policy and the guidelines for its reform considering the current and structural challenges facing Bulgaria.

In addition, Assoc. Prof. Victor Yotzov is an author of a textbook on financial programming, which represents in an accessible way the methods for building macroeconomic analyses and scenarios for short-term economic forecasting based on established methodology from international financial institutions.

The scientific publications and teaching materials submitted for review fully coincide with the topic of the announced competition. The depth of the studies, their multifaceted nature and topicality are in line with the level of the academic position of professor. Most of the scientific publications are in English which shows the preparation and capabilities of Assoc. Prof. Victor Yotzov for international research and teaching activities for the needs of the internationalization of the Sofia University. The wide citation of Assoc. Prof. Victor Yotzov's scientific work, including 13 citations submitted to Scopus/Web of Science, also demonstrates the resonance among the national scientific community and abroad of the issues under study.

The presented publications clearly show the aspiration of Assoc. Prof. Victor Yotzov to give a topical sound to the fundamental directions of economic analysis. This also demonstrates his abilities to provide the students not only with basic knowledge, but also with its modern, incl. national oriented, dimensions in different languages, which guarantees the quality of the educational process and serious research work within the scientific directions of the faculty and the university.

Evaluation of the scientific contributions of the candidate

The contributions of Assoc. Prof. Victor Yotzov, PhD, to the competition for the academic position of professor are defined in two directions – theoretical and applied.

From a theoretical point of view Assoc. Prof. Victor Yotzov justifies and derives methods for early warning of financial crises and evaluates the relevant anti-crisis measures at international and national level. The research is supported by a serious and scientifically sound statistical apparatus which helps concrete calculations and conclusions for the Bulgarian economy to be provided. The capabilities of Assoc. Prof. Victor Yotzov for conducting modern economic research are also demonstrated by the macroeconomic model built and tested for Bulgaria considering the national specificities, the functioning of the Currency Board Arrangements, and EU membership. At the theoretical level, the benefits and challenges of Bulgaria's accession to the euro area are examined and the short- and medium-term prospects for the functioning of the Bulgarian economy under the EMU are assessed. The conclusions and assessments of Assoc. Prof. Victor Yotzov on the Bulgarian economy are linked to some European and global trends, which allows his analysis not to sound isolated and out of context. This is evident from the role of the external sector in the catching-up economic growth in Bulgaria.

In an applied aspect, Assoc. Prof. Victor Yotzov focuses on the assessment of the efficiency and effectiveness of Bulgarian macroeconomic policy, tracing the channels of its impact on economic sectors and highlighting the structural imbalances that need more in-depth measures in the field of macroeconomic management. The relevance of his research is underlined by the focus on the impact of the 2008 global financial and economic crisis at various levels, including on certain social issues.

In the teaching and learning plan Assoc. Prof. Victor Yotzov is the author of one of the first textbooks on financial programming in Bulgarian, which allows students to develop skills in applied macroeconomic analysis and forecasting.

The contributions presented by Assoc. Prof. Victor Yotzov fully cover and correspond to the selected publications. I would like to recommend Assoc. Prof. Victor Yotzov to systematize and summarize his research in the field of macroeconomic policy in an individual monograph, which will allow him to promote the relationship between fundamental and current issues in the field of economic development of Bulgaria that in many aspects Assoc. Prof. Victor Yotzov has been already done in his research.

Conclusion

Assoc. Prof. Victor Ivanov Yotzov, PhD, exceeds the minimum national requirements for the academic position “Professor”, and in terms of the subject matter and quality of the selected publications fully covers the field of the announced competition. The extensive research,

administrative and teaching experience of Assoc. Prof. Victor Yotzov and his expertise on the Bulgarian and world economy and finance will allow for a serious strengthening of the capacity of the Faculty of Economics and Business Administration for scientific and applied research. Considering the candidate's recognition among the scientific community in Bulgaria and abroad, as well as his participation in projects and prestigious scientific forums, I express my positive opinion and confidently recommend to the members of the Scientific Jury to elect Assoc. Prof. VICTOR IVANOV YOTZOV, PhD, to the academic position of “Professor” in the Department of Finance and Accounting of the Faculty of Economics and Business Administration at Sofia University St. Kliment Ohridski.

10 August 2023

Sofia



Assoc. Prof. Dimitar Zlatinov, PhD