

## REVIEW

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Regarding a dissertation submitted for the award of the educational and scientific degree “Doctor (PhD)” in the scientific specialty “World Economy and International Economic Relations” Professional Field 3.8. Economics

Author of the dissertation: **Galateya Kirilova Kolikova**

Title of the dissertation: **“Sustainable Foreign Direct Investment Based on the Example of the Northern European Countries – Factors and Economic Impact”**

Supervisor: Prof. Dr. Iskra Hristova-Balkanska

Grounds for the review: participation as a member of the Scientific Jury for the public defense of the dissertation in accordance with Order No. 873 of 19.12.2025 issued by the Director of the Economic Research Institute at the Bulgarian Academy of Sciences.

### 1. Characteristics of the Dissertation

The submitted dissertation addresses a topic of high scientific and practical relevance – sustainable foreign direct investment (FDI) and its role in the economic, social, and environmental development of host economies. The topic is particularly timely in light of several reinforcing developments: the shift within the EU from the quantity toward the quality of capital flows (including within the framework of the European Green Deal and the Sustainable Development Goals), the increasing geo-economic fragmentation and selective openness toward investments, and the transformation of global value chains that is reshaping the competitive logic of investment decisions.

The object of the research is sustainable FDI in Sweden, Denmark, Finland, and Bulgaria. The subject concerns the influence of selected factors on the inflow and absorption of sustainable FDI, as well as their effects on sustainable development in host countries. The main objective is to identify the determinants of successful attraction and absorption of sustainable FDI and, based on comparative analysis, to propose measures for improving Bulgaria’s investment environment and

external economic policy. The research tasks are clearly formulated and logically derived from the objective, while the central thesis is operationalized through three hypotheses: (1) institutional stability and developed innovation infrastructure as prerequisites for sustainable FDI; (2) higher levels of sustainable economic development as a pull factor for high-tech and sustainable-sector investments; and (3) regional integration as a stimulus for inflows and absorption of sustainable FDI.

The dissertation comprises 184 pages, including 124 pages of main text, a bibliography of 148 sources, and appendices containing detailed statistical data on FDI by country and sector. The main text includes 14 tables and 12 figures. The structure consists of an introduction, three chapters, and a conclusion. The first chapter establishes the theoretical framework; the second presents a comparative analysis of Sweden, Denmark, and Finland; the third examines the applicability of the Nordic experience to Bulgaria and formulates policy recommendations.

Methodologically, the dissertation relies on descriptive statistical analysis of secondary data (primarily for the period 2016–2023), comparative analysis, and a SWOT framework for Bulgaria. The choice of methods is appropriate to the research objective, and the statistical sources used are authoritative and reliable. It is also commendable that the author clearly outlines the limitations of the study (time horizon, geographical scope, and methodological challenges in defining and measuring “sustainable FDI”), which strengthens the scientific credibility of the conclusions.

The analysis demonstrates that the dissertation is built upon a clearly defined research logic, a consistently developed theoretical framework, and independently conducted empirical research, enabling the formulation of well-grounded scientific and policy-relevant conclusions.

## **2. Assessment of the Scientific and Applied Contributions**

The dissertation contains both theoretical and applied contributions.

At the conceptual level, the author develops an analytical framework for sustainable FDI that integrates classical theories of international investment with contemporary sustainability concepts. This approach extends the traditional quantitative perspective on FDI by incorporating qualitative dimensions.

At the empirical level, the dissertation provides a systematic comparative analysis of Sweden, Denmark, Finland, and Bulgaria for the period 2016–2023, identifying structural differences in investment models and linking them to institutional stability and innovation capacity.

The study also develops a SWOT analysis of Bulgaria as a destination for sustainable FDI and formulates specific policy recommendations aimed at strengthening institutions, developing human capital, promoting green and digital investment, and enhancing regional integration. Furthermore, the dissertation establishes empirical associations between the level of sustainable development and the profile of attracted investments, contributing to both theoretical discourse and policy design.

### **3. Assessment of the Abstract and Publications**

The abstract is prepared in accordance with academic standards and accurately reflects the structure, logic, and main findings of the dissertation. It presents the object, subject, objectives, hypotheses, limitations, methodological approach, and key conclusions in a concise manner.

Regarding publication activity, the doctoral candidate has presented four publications related to the dissertation topic: one article in a peer-reviewed scientific journal and three publications in academic conference volumes (including volumes of the Economic Research Institute at BAS). These publications correspond to the main research lines of the dissertation and demonstrate consistency in the research agenda and partial dissemination of results in academic forums.

Based on the submitted documentation, the minimum requirements under Art. 49(4) of the Rules of the Economic Research Institute at BAS have been fulfilled, as the doctoral candidate has independent publications reflecting the principal results of the dissertation.

### **4. Critical Remarks, Recommendations, and Questions**

Alongside the unquestionable merits of the dissertation, several critical remarks may be made, which do not diminish its scientific value but rather indicate directions for further theoretical and analytical refinement.

First, the central conceptual issue in the dissertation concerns the definition and operationalization of “sustainable FDI.” The adopted approach is pragmatic and suitable for comparative empirical analysis; however, it involves a methodological risk of conflating indicators of “origin” with indicators of “impact.” When sustainability is derived largely from the origin of the investment (i.e., from highly developed economies), it implicitly assumes that such origin constitutes a sufficient condition for sustainable behavior and impact. In practice, this relationship is not necessarily unambiguous: an investor from a developed economy may undertake projects with

limited sustainable impact, while the actual effect depends on the regulatory environment, sectoral characteristics, the mode of integration into the host economy, and the absorptive capacity of the host country. A clearer distinction between “potential sustainability” (based on origin or sector) and “realized sustainability” (in terms of economic, social, and environmental outcomes) would further strengthen the conceptual rigor of the analysis.

Second, although the dissertation consistently emphasizes the priority of quality over quantity of FDI, the empirical analysis relies significantly on aggregated macroeconomic indicators — FDI flows and stocks, FDI-to-GDP ratios, and sectoral distributions. While this approach is justified by data availability and cross-country comparability, it limits the ability to distinguish between “quantitative openness” to foreign capital and genuine “structural impact” on the economy. High levels of FDI or a substantial FDI-to-GDP ratio do not necessarily imply increased competitiveness or technological upgrading, as investments may concentrate in low value-added activities with weak linkages to local firms. A more explicit analytical differentiation between investments that reproduce existing production structures and those that foster technological upgrading, higher domestic value added, and upward positioning in global value chains would reinforce the argument concerning the qualitative dimension of sustainable FDI.

Third, although the role of absorptive capacity is correctly identified as crucial, it could be theoretically elaborated in greater depth. The relationship between FDI and sustainable development is mediated by factors such as human capital, innovation ecosystems, institutional effectiveness, and industrial structure. These structural conditions ultimately determine whether FDI generates sustainable spillover effects and technological upgrading or remains enclave-type projects with limited integration into the local economy.

In this context, I would like to raise the following questions for discussion during the defense:

*Question 1:* In the dissertation, sustainable FDI is largely associated with its origin in highly developed economies. To what extent can the “country-of-origin” criterion be considered a sufficient indicator of sustainability? Can it be assumed that restricting investments from certain countries through screening mechanisms automatically leads to a more sustainable investment profile, or is it necessary to distinguish more clearly between geographical origin and the actual economic, social, and environmental impact of the investment?

*Question 2:* To what extent does the promotion of sustainable FDI require an active industrial policy by the state? Can the attraction of sustainable investments alone lead to structural

transformation of the Bulgarian economy, or is a targeted industrial strategy (including sectoral priorities, technological upgrading instruments, and human capital policies) necessary to achieve sustained value-added growth?

## **5. Originality and Reliability of the Scientific Results**

The dissertation constitutes an independent scientific study. Its originality lies not in the creation of an entirely new theory, but in the conceptual integration of established FDI approaches with sustainability considerations, in the systematic comparative analysis of Nordic economies and Bulgaria, and in the formulation of applied conclusions for national investment policy.

The reliability of the data is ensured by the use of authoritative international and national statistical sources. The author demonstrates academic integrity by explicitly acknowledging methodological limitations. No indications of improper data handling are observed.

## **6. Conclusion**

The submitted dissertation is a comprehensive, logically structured, and methodologically sound scientific study addressing a contemporary and significant issue. The author demonstrates profound theoretical knowledge in the field, the ability to conduct independent research, and competence in deriving well-founded conclusions and policy recommendations.

Based on the evaluation presented above, I conclude that the dissertation meets the requirements for the award of the educational and scientific degree “Doctor” and complies with the criteria set out in Art. 49(1–4) of the Rules of the Economic Research Institute at BAS.

Therefore, I propose that the Scientific Jury award Galateya Kirilova Kolikova the educational and scientific degree “Doctor” in the scientific specialty “World Economy and International Economic Relations” within Professional Field 3.8. Economics.

Date: 14.02.2026

Signature:

/Assoc. Prof. Dr. Paskal Zhelev/