



To the Chair of the Scientific Jury,
assembled by Order №255/08.02.2021
of the Rector of Trakia University
Stara Zagora

REVIEW

For the purposes of evaluating candidates competing for the acquisition of the academic rank of Associate Professor in the scientific speciality of National Economy (regional economy and local government) at the Department of Regional Development, Faculty of Economics, Trakia University
(promulgated in State Gazette № 104/08.12.2020)

Reviewer: Prof. Stefan Ivanov, PhD, Trakia University, Department of Regional Development, member of the Scientific Jury for the current competition

This review has been assigned to me by the Scientific Jury assembled by the above-mentioned Order of the Rector of Trakia University. In its preparation I have followed the requirements set by the Statute for the Development of the Academic Staff at Trakia University, designed with respect to the regulations of the Law on the Development of the Academic Staff in the Republic of Bulgaria and the Statute for its application.

The sole candidate in the present competition is **Chief Assistant Professor Nedelin Kostadinov Markov, PhD** who was allowed (by Decision on 12.02.2021) to participate in the competition by the Commission according to article 88(6) of the Statute for Development of the Academic Staff at Trakia University.

I. Brief biographical background

Chief Assist. Prof. Nedelin Markov, PhD was born in 1981. In 2003 he graduated his higher education as a Bachelor in Accounting and Control at the D.A. Tsenov Academy of Economics, and in 2005 completed a Master's degree in Accounting and Auditing at the same higher school. Since 2003 he has worked at Trakia University. In 2012 he defended the academic and educational degree of Doctor at the Institute for Economic Research with the Bulgarian Academy of Sciences.

After his full-time PhD course (January 2007 – January 2009) he started working as an assistant professor, and in 2013 acquired the position of chief assistant professor at the Department of Regional Development, Faculty of Economics, Trakia University. He teaches the following courses: Fundamentals of Accounting, Business Accounting, Standardization in Accounting, Computer Processing of Accounting Information, Regional Economy, Local Government and Administration, etc. The latter two courses fall within the scope of the associate professorship for which he is applying.

This brief biographical information outlines the profile of Chief Assist. Prof. Markov as a researcher and lecturer in the area of regional development and regional politics. These circumstances fully justify the participation of Chief Assist. Prof. Nedelin Markov, PhD in the announced competition for the rank of associate professor.

II. General description and evaluation of the presented research production

The candidate has presented a list of 20 works. They may be divided into two sections: the first one contains analysis and assessment of the financial state of municipalities and decentralization policy on a national level, while the second – regional development. Individually, and as a whole they match the topic and the direction of the announced competition – state policy for regional development and regional and local government.

The total volume of the presented research of about 300 pages has been structured as:

- Monographs, studies, articles and other research on municipal finances and state transfers – 7 works, containing about 180 pages, or 60% of the total production.
- Participation in monographs, studies and other research related to regional development and regional and local government – 13 works, containing 120 pages, or 40% of the total volume.

The last monograph of the candidate – *Debt and financial sustainability of the local self-government in Bulgaria* serves as the main basis for his habilitation within the present competition. This monograph may refer to the first of the two research areas.

My **impression** is that the presented production – one monograph, one book chapter, nine publications in research journals, referenced and indexed in world renown databases with scientific information, as well as multiple articles and reports in these two research areas - offer sufficient ground to evaluate the scientific achievements of the candidate for the purposes of the current competition. The quantity, range and structure of the research comply with the requirements for the academic rank of associate professor, set out in the Statute for the Development of the Academic Staff at Trakia University. Furthermore, the obtained points for the citations indicator that has become exceedingly important in recent years surpass twice the number of points listed in the minimal requirements. His participation in the academic life at the university (development of curricula, supervision of graduating students, participation in university projects, etc.) is three times higher than the threshold values.

III. Scientific, applied scientific and lecturing activity

A. **Evaluation of the habilitation work *Debt and financial sustainability of local self-government in Bulgaria*.**

General characteristics. The habilitation work was published as a monograph of 150 pages and was printed by Kota Publishing House – Stara Zagora in 2017.

The pertinence of the presented research is unarguable and is determined by its scope, aims, structure, content and methodology. It is devoted to an exceptionally important current topic – the effect of debt on the financial state of municipalities. The municipal debt exceeds 1 billion BGN and is a key instrument for balancing the municipal budgets and financing EU projects.

The author has defined clearly the main aims and the tasks related to the study. The structure reflects the aims, and the exposition presents the main concepts, types of debt and the reasons for its origins, as well as the possible theoretical scenarios for the effect of debt on the macroeconomic equilibrium. Chapter two of the monograph presents the regulatory basis and the dynamics of municipal debt. Results from a comparative analysis of Bulgaria with other EU states have been presented, together with the share of the municipal in the consolidated debt of Bulgaria. Also analyzed are data for the two main approaches for debt emission used by municipalities – bonds and bank loan, as well as the use of some contemporary financial tools. Attention has been paid to the methods of assessment of municipal creditworthiness, by presenting the methodology of credit rating.

Chapter three emphasizes the impact of municipal debt on the financial sustainability of municipalities. The support for municipalities in difficulty and the indebtedness of Bulgarian municipalities have been analyzed according to the methodology of the Ministry of Finance. On the basis of the detailed analysis of the size, structure and dynamics of municipal debt, of the reasons and factors for indebtedness of Bulgarian municipalities, the author has reached some important conclusions leading to specific suggestions for changes in the regulations and the practice of financial management of municipalities. Several of the more salient are:

- Municipal debt is strongly regulated by national legislation.
- The debt of local self-government is generated mainly by the lack of current resources for financing investment projects.
- Poor government of municipal investment projects.
- No reimbursement of EU project payments by the governing authorities to municipalities.
- Favoring of Sofia Municipality, etc.

At the end of the individual chapters, and in the conclusion the author has formulated suggestions for assisting municipalities, the more notable of which are:

- “The state could provide a fund to guarantee the stability of local self-government...”
- “Establishing a separate unit in the central administration that will tackle the problems of local self-government”
- “Governing authorities urgently need to review their regulations and ensure project funding for more proportional tranches”

In my opinion, some of the author’s conclusions and suggestions may need additional research and justification, such as the “good assessment” given to the methodology of the Ministry of Finance for the indebtedness of Bulgarian municipalities, as well as the tendency of the author to support a certain consolidation of Bulgarian municipalities.

Conclusion on the qualities of the habilitation work. It regards clearly defined problem areas important for local self-government. The structure is logical. Theoretical conclusions gradually give way to practice analysis, results evaluation, formulation of inferences and suggestions. The work readily presents its author as a rigorous researcher with clear and well-argued positions on the essence, structure, reformation and development of debt financing of local authorities.

A positive evaluation deserves the fact that the author has experienced the “local provincial ambience”, which has allowed him to focus on all municipalities in the country; he draws comparisons with other EU states and analyzes the relations between central and local authorities, securing a proper base for his future academic development.

All of the above may serve as solid ground for the successful application for the academic rank of associate professor in the current competition of Trakia University.

B. Evaluation of the other research works

They belong to the two main areas of the author’s research that fall within the scope of the present competition – regional and local development, as their problematics has scientific-theoretical and applied scientific character. The results discussed in some of these publications have served as foundation and benchmarks for the habilitation work.

1. In the area of local self-government and financial state of municipalities the studied scientific-theoretical issues and achievements refer to:

- Analysis of the relations between economic growth and decentralization. The obtained results show that it is possible to discover some relations between economic and social processes. The conclusions can lead to the assumption that economic growth may be influenced by politics in the area of local self-government.

- Study of the quantity measures which define a municipality as “municipality in difficulty” and offering some ensuing sum-ups and recommendations. The results show a group of municipalities in permanent financial difficulty. This requires a differential approach on the part of the central government towards local government.

- Decentralization processes concern not only the transfer of power and resources for their management between the central authority and municipalities, but also the distribution of the power mechanisms within the structures of local governing units. Recommendations are made for the transfer of power from the municipal center to rural parishes.

- The formation and allocation of the common countervailable subsidy has been studied. Suggestions for optimizing the methodology of calculating this subsidy have also been made.

- The dynamics of municipal debt in Bulgaria has been analyzed both on a consolidated basis, and per separate municipalities in order to reveal the problems and solutions regarding debt financing at the level of local self-government. The author also confirms the thesis that covering municipal debt may be an efficient instrument for accumulation of resources while performing the functions of local self-government.

- The budget relationships between the central governing levels and the local self-government units have been analyzed and evaluated. The results of the study explain the need for reformulation of the approved system for redistribution of vertical transfers.

2. In the area of regional development, the scientific-theoretical and the related practical achievements being studied include:

The possibility for municipalities to collect means by funding projects for resolving infrastructural issues has been analyzed. Emphasis has been placed on one of the fast developing municipalities in Bulgaria – Stara Zagora. The main results from the studies in practice prove the idea of the need for continuing investment in public and private infrastructure (industrial and social) as a guarantee for generating higher regional socio-economic growth.

The effects of national growth on the economic results of rural regions with different socio-economic parameters have been studied. The results from the study are used to determine some of the reasons for serious socio-economic disproportions in the country.

The imbalances in the business demography of NUTS 2 level regions in Bulgaria have been viewed as key determinants of regional inequalities in economic growth. The following inferences have been made: business demography is heavily influenced by economic processes on a national and international level; regions react in a different way to the socio-economic impact; more attention should be paid to the business environment determined by the state, to the improvement of regional politics and measures for business environment inside companies.

The changes in the sectoral structure of economy in NUTS 2 regions in Bulgaria have been traced by focusing specifically on primary users and producers of biological resources. The inferences indicate the need for an approach for purposeful support for identifying and developing sectoral and technological niches of bioeconomy that are promising for the respective region, as well as the need for developing regional statistical information for the bioeconomic sector.

The effective management of bioeconomy requires structural and dynamic analysis of the primary sector. The study is directed towards measuring the size of biologically based primary sector in Bulgaria. Results show that the capacity of the biological sector has not been used rationally in Bulgaria. The inferences aim to determine national priorities and policies in the area of bioeconomy.

The dependency between the results of applying contemporary forms of human resource training at the Faculty of Economics, Trakia University-Stara Zagora, and the level of employment and productivity in the region has been investigated.

Spatial analysis has been used to evaluate the accessibility to healthcare, including pharmacy network for citizens of Stara Zagora Province. Internal disproportions in Stara Zagora

Province have been explored. Results show that in geographical and spatial terms the system for emergency medical care and the pharmacy network are not distributed proportionally over the territory of the province. With respect to in-patient care there is high clustering of hospitals in number and competence.

The territorial distribution of retail shops around Stara Zagora has been analyzed. The author studies the commercial zones taking shape in separate residential quarters and determines the degree of their concentration.

Urban green systems are of key significance for local communities. Dynamically developing urban territories inadvertently lead to limiting urban vegetation. This poses a threat to human health and creates challenges for healthcare and social security systems. The aim of this study is to present specific cases for analysis by using methods of distant surveillance and formulate conclusions based on the results. General and specific inferences have been made related to the conceptual change of spreading human activity from central urban areas to peripheral urban regions.

The intensity of the touristic sector in the part determined by local (resident) population has been analyzed. The author concludes that local touristic intensity is activated after the period of economic crisis and makes our country heavily dependent on foreign tourists.

In all of his research publications Chief Assist. Prof. Nedelin Markov, PhD demonstrates erudition, thorough knowledge of the matter, skill for analyzing and evaluating trends and problems and defending personal views and solutions.

C. Use of applied scientific achievements

The outlined contributions of the candidate in the submitted publications may be useful in further improvement of the legislation regulating local finances – the mechanism of countervailable subsidy, municipal debt, as well as subsequent steps for decentralization and development of local self-government.

D. Lecturing activity

Chief Assist. Prof. Nedelin Markov, PhD delivers lectures and conducts seminars students in the bachelor and master programs of Trakia University on local government and administration, regional economy, geographical information systems in managing regional development, and fundamentals of accounting, business accounting, etc. with total credit hours exceeding the specific requirements of Trakia University for full teaching workload.

Chief Assist. Prof. Markov, PhD has developed five curricula, three of which as a sole author and has published a textbook for the course in Local Government and Administration.

He has been a supervisor to many graduate and undergraduate students.

All of the above allows me to grant my positive evaluation on the entire lecturing activity of Chief Assist. Prof. Nedelin Markov, PhD.

E. Participation in scientific forums and in the development and management of projects

Chief Assist. Prof. Markov has participated in almost all research projects of the faculty and the department, and has been the manager of one of them: 'Socio-economic challenges to urban development in Bulgaria'.

Chief Assist. Prof. Markov has presented results from his research at national and international forums held in Stara Zagora, Sofia, Plovdiv, Varna and other towns.

IV. Personal impressions

I have known Chief Assist. Prof. Nedelin Markov, PhD since 2010 when he became a PhD student. I have held many conversations with him on the topic of his thesis. I think he is a searching

personality who is not afraid to formulate and defend his opinions. He accumulates new knowledge in a determined and systematic way which helps him establish himself as a good researcher. He is respected by his colleagues and sought by students for supervision on their projects.

CONCLUSION

Chief Assist. Prof. Nedelin Markov, PhD has submitted a considerable in volume and quality research production for the purposes of this competition. His work contains scientific and applied scientific contributions that help the development of regions and lead to the solution of current problems related to municipal finances.

The scientific, publication and pedagogical work of the candidate, and the results obtained fully meet the legal requirements for conferral of the academic rank of associate professor of Trakia University.

All of the above allows me to propose **with utter conviction** to the honorable members of the Scientific Jury to vote **in favor of conferring the academic rank of Associate Professor** of Trakia University in the specialty of **National Economy (regional economy and local government)** to **Chief Assistant Professor Nedelin Kostadinov Markov, PhD**.

Заличено!

Reviewer: ..

Prof. Stefan Ivanov, PhD

Sofia
30.03.2021