

EVALUATION REVIEW

by **Prof. Dr. Venelin Nikolaev Boshnakov**

University of National and World Economy - Sofia, Professional Field 3.8 "Economics"
About: Dissertation Thesis for obtaining an Educational and Scientific Degree "Doctor" by
Professional Field 3.8 "Economics", PhD Programme in "Economics and Economic Policy"
at the Faculty of Economics and Business, Sofia University "St. Climent Ohridski"
Review submitted according to: Participation in Scientific Jury by Rector's Order №
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Author of the dissertation: **Liliana Vesselinova Georgieva**

Dissertation topic: **Grey Economy in Bulgaria: A Comparative Analysis**

1. Information about the dissertation

Liliana Vesselinova Georgieva obtained her Bachelor's degree in Economics in 2017 and Master's degree in Accounting and Auditing in 2019 at the Sofia University, Faculty of Economics and Business (FEB). She received additional training through certificate programs in Germany, Russia and China. The dissertant received a number of awards as a student by participating in various competitions, including the special award for excellence in the undergraduate program in Economics of the FEB (2014, 2015, 2016) and "Student of the Year" in the category of "Economic Sciences" (2016, 2018). As a PhD student she actively participates in numerous scientific forums at home and abroad, where she successfully reports the results of her research work. The dissertant has also developed her professional experience since 2015 as an expert in accounting, finance and strategic analysis. She also participates in the activities of the Department of Economics at FEB as a lecturer, conducting seminars in microeconomics, macroeconomics, international economics and other disciplines.

2. General characteristics of the submitted dissertation

The submitted dissertation is developed on 177 pages of main text, including an introduction, four chapters, a conclusion, and an author's note on the main

scientific contributions. The appended list of cited sources contains 269 titles, of which 244 are in English, which are undoubtedly related to the thematic area of the study and cover a number of key publications on the topic in the country and abroad.

The relevance of the chosen topic is undeniable given the decade-long efforts of a number of Bulgarian and foreign authors to explore a socially and economically significant phenomenon such as the hidden economy in Bulgaria. The defined object of the study is the "shadow economy" and the subject is "the characteristics of the shadow economy in Bulgaria". Several main objectives of the research are set, such as "the determination and analysis of the structural and qualitative characteristics of the shadow economy in Bulgaria in a comparative perspective; the determination of the importance of tax morale for the prediction of tax behavior, as well as the verification of the homogeneity of tax morale according to socio-demographic and socio-economic characteristics". Five countries (Greece, Romania, Slovakia, Croatia and the Czech Republic) as well as groups of countries at the aggregate level (EU, Eurozone) are selected for the comparative analysis. In order to fulfil these objectives, eight research tasks have been defined, evidence for the solution of which is presented in turn in the presentation.

The dissertation adopts a complex methodological approach based on the application of a set of research methods allowing to describe selected structural characteristics of the informal economy, as well as their comparison at the international level. In addition to the traditional secondary analysis of specialized scientific publications in the selected thematic area, the paper employs statistical methods to analyze primary data from the standardized Eurobarometer survey, including descriptive analysis and statistical hypothesis testing on perceptions of the manifestations of the informal economy in a comparative perspective. Specific regression analysis models are also applied to investigate the relationship between purposively constructed 'tax behaviour' and 'tax morale' variables with expected determinants of the size and selected characteristics of the grey economy.

3. Evaluation of the obtained scientific and applied results

The first part of the paper contains an overview of the detailed research conducted on the development of the concept of "grey economy" and related issues in both the international and Bulgarian scientific literature. The main approaches and methods for assessing the size of the informal economy and its other characteristics as

a complex socio-economic phenomenon are examined. Special focus is placed on the interrelationship between the informal economy, tax morale, and economic development. The second part presents the results of the comparative analysis between Bulgaria and selected "sites" (countries: Greece, Romania, Slovakia, Croatia and the Czech Republic, and groups of countries: EU, Eurozone) according to the data from the pan-European Eurobarometer survey. Hypothesis tests are performed for statistically significant differences between the selected "objects" (sites) on a number of characteristics considered as key manifestations of the grey economy.

In the third part, the methodology for compiling a 'tax morale indicator' based on specific questions from the survey is clarified. Regression analysis is conducted to examine the relationship between tax morale variables and tax behaviour using limited dependent variable (probit) models, with explanatory variables added sequentially up to the third level. The fourth part is devoted to the comparative analysis of tax morale between groups of respondents distinguished by different socio-demographic characteristics, and the results of comparative analysis are presented through hypothesis testing. A series of empirical results are obtained on the similarities and differences in sample estimates of mean levels of tax morale between the distinct groups for the 'objects' included in the scope of the analysis.

The overall impression of the thesis is very good, with a clear style of exposition and adequate conceptual apparatus used. The volume of the dissertation meets the usual requirements for such a scientific work. The chosen research methods provide the opportunity to empirically assess the characteristics of respondents (and, in general, respondent groups), and to conduct comparative analysis. Appropriate tables and relevant graphical visualizations are presented in the thesis to illustrate selected empirical results. The content of the dissertation undoubtedly testifies to the knowledge and skills acquired by the PhD student to conduct independent research and obtain meaningful analytical results.

4. Evaluation of scientific and applied contributions

I would distinguish the following main scientific and applied contributions achieved in the thesis:

- Bulgaria-specific empirical results have been obtained on selected characteristics of the grey economy, presented in a comparative perspective against selected countries and groups of countries. These results support the detailed analysis

of different manifestations of the shadow sector and the formulation of effective counteraction policies.

- A special focus is placed on aspects of tax morality not studied in such depth in the country, for which empirical evidence is provided through the application of specific regression analysis models.

- New results are obtained in an international comparative perspective by testing statistical hypotheses to identify significant differences in the levels of tax morale between Bulgaria and selected European countries, in cross-sections of selected socio-demographic characteristics.

The paper contains new and up-to-date empirical results on the informal economy in Bulgaria, which reflect significant aspects of the inter-relationship between tax morale and tax behaviour of micro-economic agents. The results obtained in an international comparative perspective enrich the analysis and identification of the specific features of the phenomenon in the Bulgarian economic, demographic and social-psychological context.

5. Evaluation of the abstract and publications on the dissertation

The presented abstract is of optimal length and structure, reflecting the main aspects of the thesis to the necessary extent, as well as the results obtained in it. Eight scientific publications are attached to the dissertation, six of which are self-authored, including five papers in proceedings of scientific conferences in Bulgaria and abroad and three articles in specialized journals (including two indexed in the Scopus database). These publications reflect to a significant extent the achievements of the dissertation work, significantly exceeding the minimum scientific requirements for a dissertation in the Scientific Field of "Social, Economic and Law Sciences". No unacceptable violations of the established rules of scientific ethics were observed.

6. Critical remarks, recommendations and questions

The thesis testifies to the author's relatively good awareness of a number of specific issues of the analysis of the informal economy and tax morality. The demonstrated effort to analyse the empirical results in a comparative perspective between Bulgaria and other countries and regions is also highly commendable. There is a correct application of the chosen quantitative methods to analyse the available data.

I would make the following comment on the thesis – in my opinion, the formulation of the object and subject of the dissertation are too general. Subsequently, the reader is introduced to the correctly stated limitations of the study, and especially its information base. The formulations adopted for the object (the grey economy) and the subject (the characteristics of the grey economy) allow for the broadest interpretation – there is virtually no aspect, method, and type of information source for the study of the phenomenon that does not fall within the scope of these formulations. Considering the main source of information, namely a pan-European standardized survey of the Eurobarometer type, an obvious limitation becomes clear, namely that the research is based on the subjective perceptions of respondents in Bulgaria and other countries about the phenomenon. Moreover, the dissertant does not have the opportunity to add specific questions to the survey in order to capture important nuances missed, especially reflecting the specificity of the social-psychology of the population in the Balkan region and aspects of the historical context. This is addressed in the limitation of the study mentioned under number 2.

I would recommend that the dissertant continues her research in the field of the informal economy and the empirical approach to assessing its various effects. Indeed, there is an untapped potential of international empirical databases to analyse the phenomenon in multiple dimensions, including longitudinally, in the context of the globalisation of economic processes of recent decades.

7. Conclusion

On the basis of the above assessment of the submitted dissertation, I consider that the requirements of the Law on Academic Staff Development, The Regulation of its implementation, and the Regulation on the Procedures for Academic Positions and Granting Scientific Degrees at Sofia University “St. Kliment Ohridsky” (Article 64). I issue a **positive assessment of the dissertation** and propose the Scientific Jury to award **Liliana Veselinova Georgieva** the degree of “Doctor” in the Professional Field 3.8 "Economics", doctoral programme "Economics and Economic Policy".

15.08.2024 г.
Sofia

Signed:
/ Prof. Dr. Venelin Boshnakov /