

OPINION

by Stela Stoyanova Raleva PhD, Associate Professor

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regarding dissertation for the acquisition of an educational and scientific degree "Doctor",

Academic field: 3. Social, economic and legal sciences,

Professional field 3.8. Economics

Author: *Snezhana Dimitrova Yotinska*

Topic: *Opportunities for Financing of Small and Medium-sized Enterprises in Bulgaria Through the Capital Market*

1. General description of the presented materials

By order № 138 of 21.06.2022 r. of the Rector of VUZF Prof. DS in Legal Studies Boris Velchev I was appointed as a member of the scientific panel in a procedure for the defense of the dissertation „Opportunities for Financing of Small and Medium-sized Enterprises in Bulgaria Through the Capital Market“ for conferring an educational and scientific degree "Doctor" in the field of higher education 3. Social, economic and legal sciences, professional field 3.8. Economics. The author of the dissertation is Snezhana Dimitrova Yotinska - a doctoral student at the Department of Finance and Insurance at VUZF, and the scientific supervisor is Assoc. prof. Manyu Moravenov, PhD.

The materials submitted by Snezhana Yotinska include the following documents: dissertation work, summary of the dissertation and CV. The summary of the dissertation includes a list of the author's publications on the topic of the dissertation work.

2. Brief biographical data about the doctoral student

Snezhana Yotinska holds a Master's degree in Macroeconomics from the University of National and World Economy. She worked as a full-time lecturer – an assistant and senior assistant and as a part-time lecturer at the Department of Economics at UNWE where she conducted seminars in the following subjects: Foundations of Economic Theory, Microeconomics and Macroeconomics.

She has acquired substantial practical and managerial experience on the subject matter of her dissertation. She worked as a head of the relations with the investors in “Fair Play Properties” REIT, “Park” REIT and the Bulgarian Stock Exchange” (BSE). Since January 2021 she has held the position of a chief expert at the “Corporate Development” Department at the BSE.

3. Characteristics and evaluation of the dissertation

The dissertation focuses on a very topical issue ensuing from the modern challenges that the development of the capital market in Bulgaria faces, related to its integration with the EU financial markets, the consequences of the 2007 – 2009 global economic crisis and the stringent regulations resulting from it and from the EU debt crisis. What is of particular value in the dissertation is the focus on the markets of SME growth as an important means for broadening the scope of financing of these enterprises through the capital markets which is the reason for the establishment of the Capital Markets Union in the EU.

The dissertation has 188 pages and contains an introduction, three chapters, a conclusion and bibliography. The structure of the paper is logical and balanced and fully corresponds with the main aim and the specific tasks of the research.

The introduction strongly justifies the topicality of the subject matter and accurately introduces the object and subject of the research. The main aim of the dissertation is explicitly stated and specified through a set of six research tasks. The research thesis is clearly defined and the most important limitations and assumptions made in the analysis are outlined. The methodology of the research is presented concisely and the scope and structure of the dissertation are introduced.

The first chapter is a comprehensive and informative analysis of the state and development of the capital market in Bulgaria after its EU accession. It includes a thorough characteristic of the macroeconomic environment in the country, a comparison with the EU and the Eurozone included, with focus on the dynamics of the GDP and the two main fiscal indicators and the sources of macroeconomic imbalances. Special attention is paid to the role of the key institutions on the capital market and of the harmonization of the Bulgarian legislation with that of the EU. A very strong aspect of this part of the dissertation is the presented comprehensive analysis of the functioning of the capital market based on a system of indicators related to the size, the performance of the non-banking financial sector and the depth of the non-banking financial intermediation.

The second chapter focuses on the study of the role the capital market plays in the financing of SMEs. This is done comparatively and by presenting the Model of funding escalator, outlining

the most important specific features, advantages and drawbacks of the different sources of financing along with their relative importance at the different stages of the development of the enterprise. An empirical analysis of the alternative sources of the financing of SMEs in the EU and Bulgaria is made and the main trends for the period following 2013 are outlined. Special attention is paid to the underlying principles, characteristics and challenges for the establishment of the Capital Markets Union and the SMEs growth markets. A very good impression in this chapter is made by the presentation and classification of the key specific features of the SMEs growth market in Bulgaria and by outlining its advantages against the background of the Primary Market.

The third chapter describes the experience Poland and Romania have in financing SMEs through the capital market by providing a detailed justification why these two countries were selected. The conditions for accessing the commercial markets by SMEs are explained and their key parameters are discussed while comparing them with the parameters of the Primary Market. Two specific examples of companies listed on the SMEs markets are pointed out and the dynamics of their financial indicators are commented on.

The conclusion briefly summarizes the most important conclusions of the analysis.

The content of the dissertation illustrates the profound theoretical background of the author, her profound knowledge of the legal framework of the capital markets and their segments in Bulgaria and the EU as well as her skills to carry out a comprehensive empirical analysis. Thanks to those skills she arrives at interesting results which ensue directly from the conducted research.

4. Contributions and significance of the study for science and practice:

The most significant scientific and practice-related contributions and results of the dissertation can be grouped together in the following way:

1) The dissertation presents a comprehensive evaluation of the development of the capital market in Bulgaria on the basis of market capitalization and its structuring by segments and sectors, the depth of the financial intermediation, the dynamics of the key exchange indices, the annual turnover and the structure of trade on the BSE.

2) It examines the interdependence of the changes on the capital market in the country and the dynamics of the key macroeconomic indicators and outlines its characteristic features in comparison with the EU capital markets average and the individual EU member states.

3) It defines the relative importance of alternative sources for financing of SMEs, presents a theoretical analysis of the SMEs growth markets and outlines their advantages compared to the Primary market of the stock exchange.

4) It conducts SWOT analysis of the financing of SMEs through the capital market in Bulgaria.

5) It presents specific features of the SME growth market in Bulgaria and its comparison with the corresponding markets in Poland and Romania.

5. Evaluation of the publications related to the dissertation

In the summary of the dissertation the author presents list of 5 publications related to the dissertation. They are papers from scientific conferences organized by the VUZF, one of which is published in a collective monograph. The titles of the publications suggest that they are dedicated to important parts of the dissertation and therefore it can be determined as sufficiently justified.

6. Assessment of the compliance with the minimal national requirements

The dissertation and the list of publications referred to it, which is included in the summary of the dissertation, make it clear that Snezhana Yotinska meets the minimal national requirements for acquiring the educational and scientific degree “Doctor” in professional field 3.8. Economics.

7. Summary of dissertation

The submitted summary of the dissertation has 40 pages. It presents a concise general characteristic of the dissertation and introduces its structure and content. A brief presentation of the individual chapters of the dissertation is made with focus on the key results from the conducted analysis. A reference containing four scientific contributions is enclosed, which I assume as substantiated and key areas for future research are outlined. My overall assessment of the summary of the dissertation is that it presents correctly, accurately, and with the required explicitness the main points in the dissertation.

8. Critical remarks and recommendations

Apart from the outlined positive aspects of the dissertation, a few critical remarks can be made. It would be useful if the dissertation included a more thorough and in-depth theoretical analysis of the essence, the role and the way capital markets function and of the specific features of the financing

of SMEs which can include references to publications in world-leading scientific journals. The dissertation would benefit if the conclusion included recommendations related to macroeconomic policy and greater precision of some of the used terms and avoidance of repetition in the text.

CONCLUSION

The dissertation contains scientific and practice-related results, which represent original contributions to science and meet all the requirements of the Act on the Development of Academic Staff of the Republic of Bulgaria and the Rules and Regulations for the Implementation of the Act on the Development of Academic Staff of the Republic of Bulgaria. The presented materials and the dissertation results comply with the specific requirements of the Regulations for Admission and Training of Doctoral Students at the Higher School of Insurance and Finance.

The dissertation shows that the candidate Snezhana Yotinska has in-depth theoretical knowledge and professional skills in professional field 3.8 Economics, demonstrating appropriate qualities and skills for conducting independent research.

Considering all this, I confidently give my positive assessment of the research presented in the above-reviewed dissertation, summary of the dissertation, achieved results and contributions, and I propose to the esteemed scientific panel to award the educational and scientific degree „Doctor“ to Snezhana Yotinska in academic field 3. Social, economic and legal sciences, Professional field 3.8. Economics.

24.07.2022 г.

Reviewer:

(Assoc. prof. Stela Raleva, PhD)