

REVIEW

by Prof. Dr. Presiana Stoykova Nenkova, Department of Finance, University of National and World Economy, professional field 3.8 Economics on the scientific works for participation in the competition for the academic position “Associate Professor” in professional field 3.8 Economics (Finance, Taxes and Taxation), announced in State Gazette No. 5/16.01.2024, with candidate Chief Assistant Professor Dr. Emil Serafimov Kalchev

I am participating as a member of the scientific jury of the competition in accordance with Order № 3-PK-146/08.03.2024 issued by the Rector of the New Bulgarian University. The preparation of this review is based on the decision taken at the first meeting of the scientific jury on 26 March 2024.

The review was prepared in accordance with the requirements of the Law on the Development of Academic Staff in the Republic of Bulgaria, the Rules for its implementation and the Regulations on the Development of Academic Staff at New Bulgarian University.

I. Presentation of the candidate in the competition

In the announced competition for the academic position „Associate Professor“ in the professional field 3.8 Economics (Finance, Taxes and Taxation) at the New Bulgarian University (NBU) documents were submitted by one candidate – Chief Assistant Professor Dr. Emil Serafimov Kalchev.

Emil Kalchev graduated as a Master in Economics at the University of National and World Economy in 1995, majoring in International Economic Relations. During the period 1998-2001 he was a PhD student at the Vienna University of Economics and Business, where he defended a dissertation on the following topic: "Contribution to the Entrepreneurial Decision-Making Process in the Context of the Transformation in Eastern Europe". From 2002 to 2004 he was a researcher (postdoctoral fellow) at the Otto Friedrich University Bamberg, Germany in the field of finance. He has held numerous additional specializations in finance at prestigious academic institutions in Italy, Germany, Austria, Finland, Hungary and Poland.

Dr. Emil Kalchev started his academic career at the NBU as a part-time lecturer at the Department of Economics and Business Administration in the academic year 2004/2005. After a successful competitive procedure in the following year he took up the academic position “Assistant Professor” at the same department, and in 2010 he was appointed to the academic position “Chief Assistant Professor”. He was a part-time lecturer at the Department of Finance and the Department of International Economic Relations at the University of National and World Economy, and was a Chief Assistant Professor at the Economic Research Institute at the Bulgarian Academy of Sciences, Section of Macroeconomics from 2011 to 2015.

Emil Kalchev has practical experience as a financial consultant at Vazov Institute, Sofia (2005), Unicon International, Vienna, Austria (2004) and Siemens AG, Munich (1997). He was an intern at the German Bundestag (1996-1997) and a guest expert at the German Federal Ministry of Economics (1998). He worked as an editor of the Quarterly Report on the Bulgarian Economy and Senior Expert on Public Finance at the Center for Economic Development (2005-2007). From 2014 to 2022 he was Chief

Economist at Raiffeisen bank (Bulgaria) EAD and from 2022 – Chief Economist at United Bulgarian Bank (UBB).

II. Assessment of compliance with the minimum national requirements and the requirements of the New Bulgarian University

The candidature of Chief Assistant Dr. Emil Kalchev meets the conditions under Article 24, paragraph 1, item 1, item 2 and item 3 of the Law on the Development of Academic Staff in the Republic of Bulgaria – the candidate has acquired the educational and scientific degree "Doctor", occupies the academic position "Chief Assistant Professor" for more than two years, is an author of a published monographic work. Part of the documents submitted for the competition is a self-assessment reference of the fulfilment of the minimum national requirements under Article 2b, paragraphs 2 and 3 of the Law on the Development of Academic Staff in the Republic of Bulgaria and the additional requirements of the NBU under Article 2b, paragraph 5 of the Law on the Development of Academic Staff in the Republic of Bulgaria. From the information contained in the reference and the evidence attached, it can be seen that Chief Assistant Dr. Emil Kalchev fulfils the quantitative requirements for the candidates in the competitions for the academic position "Associate Professor" – the minimum required threshold of 400 points for the indicators in groups A, C, D and E of the minimum national requirements is exceeded, and in fulfillment of the additional requirements of the NBU the candidate provides evidence of 225 points with a minimum threshold of 170 points. The compliance with the minimum national requirements and those of the NBU is convincingly confirmed by the positive opinion expressed in the Report of the Attestation Committee for long-term attestation of Chief Assistant Dr. Emil Kalchev for the purpose of announcing a competition for the academic position "Associate Professor".

II. Research (creative) activity and results

Chief Assistant Dr. Emil Kalchev participates in the competition for the academic position "Associate Professor" with the following scientific works: 1 monograph, 1 independently written article in a scientific journal, referenced and indexed in world-renowned databases with scientific information and 24 independently written articles and reports, published in non-referenced peer-reviewed journals or in edited collective volumes. The candidate's research is entirely in the field of the announced competition, the predominant share of his scientific works is occupied by reports presented at scientific conferences, one report is published in English and one paper is published in Russian. In terms of quantity and structure, the publications are sufficient and appropriate, and with them are covered the required points for the indicators in groups C and D of the minimum national requirements for the academic position "Associate Professor".

1. Evaluation of the monographic work, creative performances or other publications corresponding in volume and completeness to a monographic work, including an evaluation of the scientific and scientific-applied contributions of the author

The monographic work of Chief Assistant Dr. Emil Kalchev is devoted to issues in the field of public finance, which can be defined as ones of eternal relevance. What types of taxes should be included in the tax system, how to define their taxable bases, what tax preferences should be granted and what tax rates should be applied are issues whose solution is of paramount importance for mobilizing the necessary resources in the state budget, while at the same time the design of the tax structure should take into account the impact of taxation on the behavior of economic agents and the resulting inefficiency, or the size of the excess tax burden, as well as to contribute to a fairer distribution of income.

The monograph "The Constructive Design of Taxes in the Economic Tradition" is 150 pages long and is structured in an introduction, five chapters and a conclusion, with a bibliography including 131 references. At the beginning, the author argues the relevance of the problem under study, outlines the main question to be answered in the course of the research and formulates the research hypothesis, defines 10 tasks aimed at fulfilling the stated objective, and presents the research methodology in detail. The object of the study is economic theory and history. The subject of the research is the theory of taxes, applicable to the building (constructive elements) and organization (principles, laws, rules) of their constructive design.

The *first chapter* is a kind of introduction to the complex and multi-layered issues under study and outlines the "beginning" of taxation in historical perspective, highlighting different forms and methods of taxation, different applied taxes and tax systems, while taking into account the way in which the collection of tax revenues is organized and their contribution to the finances of the state. In *chapter two*, the exposition moves on to the contemporary views and perceptions of taxes, explaining in depth the concept of tax, and examining the functions of tax, its constructive elements, types of tax and their integration into a system. *Chapter three* presents the macro and micro economic perspectives in the economic analysis of taxes and taxation. *Chapters four and five* of the study are devoted to the efficiency and the equity implications of taxation. Their consideration and discussion separately in the monograph suffers some criticism insofar as the trade-off between "efficiency" and "fairness" is an issue that occupies a central place in the normative analysis of taxation, the construction of the tax system and the design of individual taxes. However, it is of interest to note the conclusions reached in the course of the study concerning the design of efficient taxes by comparing several tax constructions, respectively their ability to minimize the excess burden and their applicability in reality, and the design of fair taxes according to the ability-to-pay approach and the benefit approach.

The careful reading of Dr. Kalchev's habilitation thesis allows me to draw the following conclusions:

First. The monographic work is distinguished by the author's standing out approach to the study of open questions in the field of taxation, namely "analysis and synthesis of elements of theory and ancient tax history as they are" combined with "derivation of the basic premises of the normative economic theory of taxes that can build and organize [principles, rules] the economic construction of taxes."

Second. In terms of content, the monograph represents an identification of those elements and normative formulations of tax theory, that, according to the author, create "a basis for the introduction into practice of rational, economically justified tax systems" that have "predictable and balanced effects on taxpayers, the economy and the state, including to cause minimal additional damage and to consider the fairness of taxation".

Third. The issues treated in the monographic study have been thoroughly examined and a competent analysis has been carried out, demonstrating an excellent knowledge of the academic literature in the field of taxation, while at the same time the position of the author of the reviewed work and his critical attitude to certain or other opinions and practices are clearly highlighted.

In summary, it can be said that the monograph "The Constructive Design of Taxes in the Economic Tradition" represents a complete scientific study of original character and undeniable merits. Dr. Kalchev's habilitation thesis contains a number of contributions, and in my opinion the main ones come down to the following: 1. the author's view of the role and place of economic science in building and organizing the construction (taxable base and tariffs) of taxes is grounded, 2. a comparative review of scientific views, concepts and formulations is carried out on the basis of which different approaches to the study and analysis of taxes are outlined in terms of purpose and perspective, and a typology of tax theories is proposed, 3. a specific research approach is applied that integrates historical and theoretical knowledge into a common research framework, 4. an assessment of the flat tax is made, through which the author's position on its efficiency and fairness is substantiated.

2. Evaluation of the contributions in the other attached publications (creative appearances) made after the appointment to the academic position "Chief Assistant Professor" or the academic position "Associate Professor" (in the case of candidates for professor). It shall also include an assessment of the peer-review requirement for publications

The other publications, submitted to the competition, examine various aspects of finance with an emphasis on tax theory and practice and fiscal governance, and what impresses is the diversity of issues covered in the candidate's research. A separate group of publications deals with the role of tax planning, the tax effects on individual financial decisions and the neutrality of taxation in relation to investment decisions. Another strand of the research work of the candidate in the competition comprises studying and analyzing the neo-institutional aspects of corporate finance, which are relatively under-researched in our country, the financial equilibrium of the enterprise as a condition for its sustainable growth and the predictive characteristics of accounting profit.

The articles and reports with which Dr. Kalchev participates in the competition address topical and controversial issues, contain useful for the science and the practice analyses, generalizations and conclusions, and present him as a competent researcher. In addition to the two contributions, indicated by the candidate in the reference for original scientific contributions, other results of a contributory nature, that could be found in his scientific works are as follows:

- a critical comparison is made between the theoretical concept of a neutral tax on business and the corporate tax in force in our country, and on this basis is established that the taxation of the corporate incomes in Bulgaria discriminates against investments in real assets and favors financial investments, and respectively distorts market decisions and creates false signals;
- the taxation of individual income in Bulgaria is subjected to an analysis with an author's commentary on current issues in tax practice related to the tax burden on small businesses and the different treatment of different sources of income, as well as on the peculiarities of taxation of income from agricultural activities of individuals;

- an assessment is made of the fiscal policy conducted in Bulgaria in relation to its role in achieving economic growth, as well as the determinants of the state budget are identified, and guidelines for rethinking the tax and expenditure policy after the global financial and economic crisis are outlined;
- the dynamics of the changes in the different revenue categories in the municipal budgets in Bulgaria in the period 2000-2007 is traced, the specifics of the revenue system at local government level are identified and the problems that continue to exist in the financing of the local public sector are highlighted, despite the reforms undertaken in direction of public finances decentralization;
- the negative effects of the Covid-19 pandemic on economic activity in Bulgaria are presented, and key factors for its recovery are indicated;
- a characteristic is made and the specifics of the Bulgarian financial system are outlined, the focus of the analysis being the capital market, respectively its role and the prospects for its development;
- the importance of tax planning as a tool for diagnosing the neutrality of taxation is justified, and elements of the concept of tax planning are applied to various elements of individual and corporate income taxation in our country.

A high praise deserve the performed analyses of the fiscal sector (2011, 2012 and 2013) and the monetary sector (2014 and 2015) in Bulgaria, which present parts of the annual reports on the state of the Bulgarian economy prepared by the Economic Research Institute at the Bulgarian Academy of Sciences. With applied contribution nature are the identified and highlighted imbalances in both sectors, as well as the formulated by Chief Assistant Dr. Kalchev substantiated recommendations and proposals for solving the problems determined.

3. Quoting from other authors

For participation in the competition, Dr. Kalchev has indicated two citations of his publications in world-renowned databases with scientific information and four citations in monographs and collective volumes with scientific editing. In terms of number of points, these citations exceed the minimum required for the indicators in group D of the minimum national requirements for the academic position "Associate Professor". Google Scholar displays a much higher citation rate of the scientific works of the candidate in the competition – the 23 citations testify to the fact that his research and the results contained therein are known to the scientific community.

4. Evaluation of the results of participation in research and creative projects and application of the obtained results in practice

In the presented by Dr. Kalchev self-assessment reference for fulfillment of the minimum national requirements and those of the NBU, no leadership or participation in scientific or educational projects is indicated.

IV. Educational and teaching activity

1. Teaching workload, work in the electronic training module "MOODLE - NBU", provision of student practices and internships, work with students and doctoral students

Chief Assistant Dr. Emil Kalchev has a long experience as a full-time teacher at the NBU – over 18 years. During these years, he led lecture courses on "Public Finance", "Management of Public Finance", "Tax Planning", "Taxation", "Corporate Finance", "Taxes and Tax Policy", etc. He is an author of four chapters of a collectively developed textbook "Introduction to Finance", NBU Publishing House, 2019. These are: *Chapter Seven*. Taxes and Fees – Instruments for Financing the Public Authority; *Chapter Eight*. Taxes in Bulgaria; *Chapter Nine*. Fundamentals of Corporate Finance; *Chapter Ten*. Investment Decision in the Firm. There are authored study materials developed in Moodle for the following courses – BAFB 502 Corporate Finance, MBAM 344 Tax Planning, BAEB582D Corporate Finance Part I, BUBB705D Taxes and Tax Policy.

Chief Assistant Dr. Kalchev has developed and leads courses in English in the joint programs of the NBU and the University York, CITY College as follows – Corporate Finance and Project: Corporate Finance for Masters and Financial Management for Bachelors.

In the last ten academic years Dr. Kalchev supervised 32 successfully defended bachelor's and master's thesis. He has prepared 46 reviews and has 202 participations in thesis defense committees, internship defense committees, written material defense committees, etc.

2. Work with Erasmus students

The self-assessment reference, presented by Chief Assistant Dr. Emil Kalchev does not contain information about work with Erasmus students.

3. Scores from student surveys

The average score from the surveys for students' satisfaction with the course and lecturer is 4.16 on a five-point scale and according to indicator 35 of Group H of the NBU's requirements this score should exceed 4.

V. Administrative and public activity

Chief Assistant Dr. Emil Kalchev successfully combines his teaching and research work with the implementation of administrative and public activities. For nine years, he was a director of the Bachelor's program in Finance and a director of the Master's program in Accounting and Auditing for a period of two years, and participated in the creation of the Master's program in Financial and Accounting Management (in Bulgarian), which is a joint program between the NBU and the Institute of Mathematics and Informatics at the Bulgarian Academy of Sciences. He is a member of the Faculty Council of the Bachelor's Faculty and the Program Council of the Department of Economics. He took part in four successfully implemented business projects, as well as in the preparation and holding of the NBU conferences organized by different departments as a member of the organizing committee, compiler of the proceedings and moderator of the section. He was a moderator of a discussion panel in the fourth edition of Sofia Business School – Master Classes 2015, organized by Reform Union Club and the NBU. He participated as a speaker in the 14th edition of the Economic and Financial Forum "The Noise of Money". He is a member of Raiffeisen Research Vienna from 2014 to 2022. Dr. Kalchev has also made

numerous appearances as a representative of the NBU in economic and financial programs on Bloomberg, Bulgaria on Air, etc.

VI. Personal impressions of the candidate (if any)

I know the candidate in the competition from our joint work on projects of the Center for Economic Development, and I also have personal impressions of his teaching activity as a part-time lecturer at the Department of Finance at the University of National and World Economy. My impressions are entirely positive, and are of a teacher respected by colleagues and students, and of a responsible researcher.

VII. Opinions, recommendations and notes on the activity and achievements of the candidate

My recommendations for the further work of Chief Assistant Dr. Emil Kalchev is to expand his participation in international scientific forums and his publication activity in scientific journals, referenced and indexed in international databases with scientific information. It would also be good that the candidate in the competition more actively applies quantitative methods in his analyses of economic and financial processes, which would give even greater weight to the results of his research, respectively higher recognition and citation.

Conclusion

From the documents and materials submitted in the competitive procedure, it is established that the candidature of Chief Assistant Professor Dr. Emil Serafimov Kalchev for the academic position “Associate Professor” meets the requirements of the Law on the Development of Academic Staff in the Republic of Bulgaria, the Rules for its implementation and the Regulations on the Development of Academic Staff at NBU. The results achieved by the candidate in the competition in carrying out teaching and research work enable me to give a positive assessment of his academic activity and to propose with full conviction to the members of the scientific jury to take decision about admitting Chief Assistant Professor Dr. Emil Kalchev to election by the Academic Council of the NBU.

26.04.2024

Signature

/Presiana Nenkova, Professor, Dr./