

prof. dr hab. Marta Gancarczyk  
Uniwersytet Jagielloński  
Faculty of Management and Social Communication  
Institute of Economics, Finance, and Management  
Department of Finance and International Economics

**Review of the doctoral dissertation by Laeeq Razzak Janju, M.A.**

*Sustainability in Middle-Income Countries*

**developed under the academic supervision of prof. dr hab. Jacek Szoltysek**

**at WSB University (Akademia WSB), Dąbrowa Górnicza**

**in the academic field of International Relations**

**(w dyscyplinie: stosunki międzynarodowe)**

This review has been elaborated on the basis of the letter from the Dean of WSB University, dr hab. Katarzyna Szczepańska-Woszczyzna, prof. WSB, dated January 15, 2024. According to the Law on Higher Education and Science of July 20, 2018 (Ustawa Prawo o szkolnictwie wyższym i nauce z 20 lipca 2018), this review follows three criteria, including whether the dissertation proves 1) general theoretical knowledge in the scientific field (wykazania ogólnej wiedzy teoretycznej w dyscyplinie), 2) ability to independently conduct scientific research (umiejętności samodzielnego prowadzenia pracy naukowej), and 3) originality of resolving the scientific problem (oryginalności rozwiązania problemu naukowego).

**1) An evaluation and justification of whether the dissertation proves general theoretical knowledge in the scientific field**

This criterion has been evaluated with reference to the choice of research theme, presentation of theoretical background and state-of-the-art within the researched area, the rationale for research problem and knowledge gaps, as well as research hypotheses and questions.

*The theme of this dissertation* focuses on the conditions enabling sustainable development and leaving the middle-income trap in the context of middle-income countries, within the dominant

period of 2000-2019. The choice of this theme is justified by theoretical relevance and related research gaps, as well as by its importance from the viewpoint of socio-economic and environmental policy.

The issue of sustainable development and overcoming the middle-income trap is relevant for the theory of international political economy, and it integrates the issues of socio-economic development in the context of international policy and international flow of trade and finance. Sustainable development, which reconciles economic efficiency with social and environmental goals, represents an important theoretical literature strand in social sciences, including international relations. It covers a range of theories, both economic growth theories and concepts specifically targeted at the issue of the middle-income trap. Considering the current state of the art, there is a need to empirically corroborate these concepts and advance the conceptual framework, and these rationales justify the focus of the dissertation. Consequently, there are calls for a comprehensive approach to the determinants of sustainable development in variegated contexts that are not limited to particular countries, but take a broader view of the segmented middle-income world population. Despite numerous studies that conduct cross-country comparisons in this area, the results remain partial and inconclusive, and the recommendations are unequivocal, thus representing *a research gap* addressed in the reviewed study.

The important rationale for this research also lies in its relevance for socio-economic and environmental issues and related policies. The middle-income countries concentrate a majority of the world's population who suffers from social problems such as poverty, inadequate health protection, income inequalities, and sub-optimal growth rate against the challenge of leaving the current less-developed status. Moreover, suboptimal economic and social development meets the issue of production technologies that harm the environment and cause excessive emissions of pollution. These problems were even sharpened by the recent external shocks of the Covid pandemic and military conflicts, which provided a justification for the focus of this research.

In summary, the theme of this dissertation is relevant and addresses important gaps in the literature. It should be acknowledged that *the research problem* was not directly formulated in the reviewed manuscript and the section that indicates it in its heading (section 1.4., pp. 24-25) delivers the aim and the research tasks rather than a research problem. However, it follows from the formulation of the main and general content of the manuscript that the research problem focuses on the conditions and determinants that are conducive to sustainable development and leaving the middle-income trap.

*The formulation of the dissertation title* is generally adequate to the research topics, however, it is overly concise, and is not sufficiently informative. Taking into account the focus of this study, the title could indicate the search for conditions or determinants of sustainable development and the escape of the middle-income trap by the relevant countries in a specified period. It can also be presented as the role of international trade, finance, foreign direct investment, and external aid in achieving sustainable development by the group of middle-income countries. Despite some limitations mentioned, both the theme, the main knowledge gap, the problem addressed in this study, and the title of the dissertation can be evaluated as sufficiently appropriate.

Consistent with the research problem, the knowledge gap, and the content of the overall manuscript, *the main objective of the dissertation* can be perceived as the identification of the determinants of sustainable development and the elimination of the middle-income trap by middle-income countries in 2000-2019, with a focus on the role of international trade and finance, as well as the quality of governance in these countries. Unfortunately, this purpose has been formulated differently in different parts of the dissertation. The aim indicated above comes from the reviewer's understanding of the dispersed information and the general content of the manuscript, rather than from a direct and transparent formulation. Despite some attempts to clarify this aim, the manuscript leaves the reader with only partial or differing messages regarding its purpose (see for instance, pp. 13, 28, 43, 63). Section 1.5. indicates some detailed aims or objectives, however, they are formulated as research tasks rather than as objectives that point to the expected outcomes. To sum up, the way the objective was formulated represents a drawback of this work, however, the main intent and objective can be derived by the reader from the content of the manuscript.

The dissertation focuses on such major determinants of sustainable development as external factors of international trade and finance, including foreign direct investment, remittances, and support aid, and an internal factors of financial development and governance quality. However, the justification for the choice of these factors has not been provided in a convincing and well-systemized manner. Although we can intuitively say that these external and internal determinants are important stimuli for less developed countries with low internal potential, this rationale should have been transparently motivated before the major aim was formulated. The Author systemizes the impact of the referred factors based on literature review in the main body of the text; however, he does not provide the rationale why these and not other factors are considered. What is lacking as sustainable development stimuli are internal socio-economic conditions and mechanisms, apart from financial development and governance

quality, such as entrepreneurial processes, human capital, and social actions that would transmit the inflows of finance and trade to economic growth and overcoming the middle-income trap.

Furthermore, the lack of clarity in determining the purpose of this study is also associated with some concerns about the focus of this aim. These include whether this focus is on sustainable development or on leaving the middle-income trap or both; whether sustainable development represents a means to leave the middle-income trap (i.e., this trap can be overcome through sustainable development); or whether this study investigates how particular factors affect sustainable development and overcoming the middle-income trap, whereby these two phenomena are treated as synonyms or parallel dependent variables.

Related to these deficiencies are concerns about the clarity of the major concepts adopted in this research. Although the Author defines the concepts such as sustainable development through the lens of SDG goals, he does not clarify sustainable economic development, nor sustainable economic growth and sustainability. They are used in the theoretical background and the method in part interchangeably and partially as different concepts. The problem arises, in particular, when it comes to measurement since sustainable economic growth or development is captured just as economic growth based on the GDP variable only. Although this measure is necessary, it cannot be perceived as a sufficient proxy for sustainable development or even sustainable growth, as both are expected to meet the relevant sustainability criteria, which are social and environmental goals, in addition to economic goals.

The Author uses an adequate theoretical background and relevant concepts that explain how sustainable development can be accomplished. These include exogenous and endogenous theories of economic growth and concepts addressing the issue of sustainable development and overcoming the trap of middle economic development. What can be treated as relevant but lacking a theoretical framework is a perspective of global value chain and global production networks on upgrading and catching up by lower and middle-income territories. The GVC perspective acknowledges the value chain power relations, technological capabilities, and innovation as necessary drivers of territorial upgradation. This approach represents one of the key concepts in the international political economy and is useful in particular when the processes of advancement in international relationships and the benefits and disadvantages of the participation in GVC are considered. Consequently, my first question to the Author is how the GVC approach could enhance our understanding of the antecedents of overcoming the middle-income trap.

Despite the concerns raised, the theoretical foundations of the study can be treated as adequate, and we can appreciate the effort to present them as a theoretical background. On the other hand, this theoretical background can be recognized rather intuitively by the reader, since only the figure was presented and a narration is lacking to explain the relationships suggested in this framework (Figure 1, p. 43). Furthermore, the framework lacks the crucial component of the study, i.e., the middle-income trap issue was not mentioned in Figure 1. The lack of comments in the text also concerns a research framework (Figure 2, p. 44) which should be considered as a major template for conducting empirical investigations. Additionally, this framework does not indicate how it is guided by the research hypotheses and research questions.

The detailed research frameworks for studying some major interdependencies were provided before the empirical analyses in chapters 3, 4, and 5. These frameworks were preceded by extensive reviews of the relevant literature in development studies, development economics, international political economics, and environmental and social issues. The literature sources include the classical and more recent literature and are appropriate to the research topics and the academic field; the end bibliography covers more than 50 pages. These efforts should be appreciated, and the Author demonstrates the knowledge of the existing findings in the areas mentioned.

Despite the relevant, in principle, theoretical foundations, the argumentation is often overly concise and superficial. The controversies are presented on the impact and relationships among the major variables. However, these controversies and mixed results were only enumerated with little reflection on their causes, such as divergent methodologies, measurement, and operationalization of theoretical variables. Sometimes, these accounts are shortcuts, and we do not see enough critical discussion, such as regarding the impact and conditions for getting advantage of foreign direct investment by middle-income countries. This shortage, combined with the imprecisions in the understanding of the major concepts, meets additionally serious language problems of grammatical and logical nature. Overall, the manuscript reveals considerable issues in conducting academic discourse and maintaining clarity of argumentation. The drawbacks mentioned can only partially be justified by the complexity and breadth of the problems considered and the necessity to assume interdisciplinary approach to address the research purpose.

The literature review is dispersed throughout the manuscript. It includes a concise theoretical background in Chapter 2 and reviews of the literature aimed at particular theoretical variables and relationships considered included in Chapters 3, 4, and 5. This review of the literature represents a compilation of sufficient knowledge to derive research hypotheses and

research questions that would guide further empirical analysis. However, the dispersion of the literature review prevented an adequate match between the state-of-the-art hypotheses and the formulation of the RQs. Research hypotheses were only listed in Section 1.6. (p. 27) covering less than half a page, without any justification how they were derived from the literature. Their formulation raises serious doubts since they do not resemble the assumptions that can be operationalized into variables and models. Instead, they are as general and unspecified as propositions that demand further development into testable hypotheses. Finally, their formulation largely lacks logical and grammatical coherence. Additionally, the dissertation does not refer to these hypotheses in the following research frameworks and empirical analyses and does not explain how these hypotheses were verified through these empirical investigations.

We can be more convinced by the set of four research questions (Section 1.7., p. 28) that explore (1) how economic growth, driven by international trade and finance and financial development, affects environmental and social sustainability in middle-income countries; (2) the main economic factors by which social sustainability can be achieved in middle-income countries; (3) the impact of international trade and finance and financial development on economic growth in middle-income countries; and (4) how political, economic, and institutional governance systems affect sustainability in middle-income countries. Although the dissertation provides empirical findings that allow us to respond to these questions, in the manuscript it was not directly explained how they were addressed. The reader has to derive these responses independently, based on the detailed account of the findings in the Conclusion section.

Weighing the indicated significant limitations against the merits of this research, *the evaluation of the first criterion is positive at the threshold level*. Despite the imprecisions in defining the key concepts and intellectual pillars of the study, the dissertation proves sufficient knowledge in international relationships and related fields of international political economics and development economics.

## **2) An evaluation and justification of whether the dissertation proves the ability to independently conduct scientific research**

The skills to independently conduct scientific research can be evaluated based on the *methodological approach* adopted in the dissertation and based on how the adopted approach was implemented. In the theoretical part, the method of literature review was applied using *the narrative review* of conceptual foundations and existing empirical research. The narrative

review of the literature is an appropriate technique for this study and was sufficiently well implemented. However, we increasingly observe systematic reviews of the literature as a standard approach in doctoral dissertations. Taking into account the strong empirical component in this work and the largely mixed results reported in the Author's analysis of the existing empirical findings, the systematic review could have clarified some of the mixed or inconclusive results, thus producing better-justified hypotheses.

The review allowed for the justification of theoretical variables and relationships and also pointed to research gaps. Nevertheless, concerns arise regarding a transparent statement of the relationships studied, as depicted in research models. In addition to the general theoretical model (Figure 1) and the general research model in Figure 2, there are separate research models for particular relationships among the observed variables that serve as proxies for the theoretical variables. These models explore 1) factors affecting economic growth in middle-income countries, including international trade and finance, financial development, and governance factors; and 2) factors affecting social and environmental sustainability, including economic growth, international trade and finance, financial development, and quality of governance. These complex relationships were investigated according to static and dynamic models of panel regression and according to different segments of middle-income countries. The observed variables were properly selected to serve as proxies of the theoretical variables. The Author reports and explains the findings against the existing research, thus discussing the theoretical and policy-relevant contribution of the study. These efforts should be recognized as valuable. The detailed research models enhance the understanding of the research procedure as illustrative figures; however, they are not explained in-text regarding their content. When looking at the interdependencies investigated, they represent mutual and feedback links, such as economic growth affecting social and environmental sustainability, but being influenced by international trade and finance. Without a transparent narration acknowledging these interdependencies, computational operations might be perceived as circular thinking.

The main method of empirical research that follows the identified frameworks is *secondary data analysis based on panel regression*, including static and dynamic models. Data cover predominantly the period 2000-2019, based on sources from the World Bank. This time range differs for particular models; nevertheless, the reasons for these differences were never explained. Secondary sources cover extensive data on the sample of 56 middle-income countries, acknowledging the subsamples of lower and upper middle-income countries, and middle-income countries with seaports, versus 21 high-income countries. This is a

comprehensive approach that captures the variety of geographical settings, rather than narrowing down to selected cross-country analyses, which dominate existing research.

However, this approach conflates the various country settings with different governance and socio-economic profiles, which might raise doubts about the generalizations and conclusions proposed in this study. Consequently, my second question to the Author is whether his findings and conclusions can be applied to this variety of country settings, what biases might apply, and what control variables could be adopted to better understand the impact of the major variables, depending on the country profiles.

The Author performed a comprehensive set of regression analyses addressing the relationships among the variables as referred to above and gives account of the results, discussing them vis-à-vis the existing literature in separate sections. This systematic approach represents a strength of the research. In addition, the concluding section gives a tabulated summary of the results and captures the major conclusions. The treatment of the data and the methodological procedure are generally clear and appropriate.

However, the research results remain fragmented, and it is difficult to derive a synthesis from them. The message from this research might have been sharpened if an aggregate model had been designed. This model could comprise artificial and complex variables composed of significant observed variables arising from the individual models that follow. Such a complex dependent variable might be sustainable development, potentially embracing a balanced measure of economic, social, and environmental objectives. The concluding section provides the summary of the research findings that enable to address the research questions. However, the responses to these questions were not provided directly.

The dissertation manuscript is extensive and counts 452 pages. *The structure of the dissertation* covers four chapters, as well as an introduction and a conclusion, which are improperly indicated as chapters. This structure is generally consistent with the standards of doctoral dissertations. However, there are also some less common features, such as the overlong Introduction serving partly as a theoretical background, report of account of results, and account of contribution. This section should be more concise since, despite the extensive text, it cannot provide the evidence and leaves the reader with overlong but still unclear information at the start of the volume. The Conclusion section is informative and useful for providing the tabulated synthesis of the research findings. What seriously lacks is a direct verification of hypotheses or addressing the research questions to highlight the methodological coherence and completeness of the study. The reader can find the responses to the questions in the account of the findings; however, these should have been explained through a direct and systematic narration in this



regard. The manuscript concludes with a series of enumerated policy recommendations. The intent and efforts to provide such normative conclusions should be appreciated, and many of the statements and lessons might be intuitively valuable. However, this section does not provide an explanation or coherent argumentation in support of these statements, which themselves seem to be loosely connected with the research findings.

The formal side of the manuscript suffers from some shortages that affect the perception of scientific standards. The text almost lacks the callouts of tables and figures. Moreover, these illustrations do not indicate the sources of their data or information they contain, nor inform about the number of observations computed. There are also spacing issues and incoherence in using the referencing standards. The end bibliography does not follow the standard order of the Authors' second names, but it is ordered according to their first names. Language communication suffers from spelling, logic, and typo shortages.

Despite the critics mentioned, the methodological approach in this dissertation proves the skills in designing and implementing advanced econometric analysis to address the research problem in the international political economy. The Author performs a complex modelling of the determinants of economic growth and determinants of social and environmental sustainability, systemizes the findings, and derives sufficient conclusions. Moreover, the results are compared to existing research, which is possible based on the prior review of relevant conceptual and empirical studies. The value of the empirical analysis exceeds the drawbacks indicated in the review. Consequently, *the second evaluation criterion was met at the sufficient level.*

### **3) An evaluation and justification whether the doctoral dissertation represents original resolution of the scientific problem**

The research problem of sustainable development and the overcoming of the development trap of middle-income countries demonstrates high scientific relevance, socio-economic importance, and is a significant focus of economic policy. This dissertation addressed this problem and implemented the aim of identifying the factors impacting sustainable development and, potentially, leaving the middle-income trap. The resolution of the scientific problem is original in terms of the conceptual background and the methodological approach. It can also be considered to improve some of the measures of economic policy.

*Regarding conceptual originality*, this study proposes a theoretical framework and a research framework on sustainable development in middle-income countries and, by testing this research framework, it identifies the determinants of sustainable development in middle-income countries. The result points at the importance of selected indicators of international trade and finance, as well as multidimensional governance modes in the middle-income countries.

*Regarding methodological originality*, the dissertation uses a comprehensive sample of middle-income countries, stratified according to the level of wealth, versus high-income countries, and designs and implements econometric models derived from the research framework. *With regard to the value for economic policy*, this study can potentially contribute to the programs targeted at resolving the issue of the development trap of middle-income countries, through the measures that acknowledge the differences among the middle-income countries with varied levels of wealth.

### ***General conclusion***

The dissertation sufficiently satisfies the three criteria determined by the Regulation of July 20, 2018, Law on Higher Education and Science (Ustawa z dnia 20 lipca 2018 r. Prawo o szkolnictwie wyższym i nauce). The reviewed study proves the general theoretical knowledge in the scientific field of international relations, in particular, in the international political economy. It proves the skills to independently conduct scientific research and represents original resolution of the scientific problem. Therefore, I recommend admitting the dissertation titled *Sustainability in middle-income countries* by Mr. Laeeq Razzak Janju, M.A., to public defense.

Kraków, 27.03.2024