

Postgraduate student: Ashiqur RAHMAN

Thesis: **Financial Constraints on Small and Medium Enterprises:
Evidence from the Czech and Slovak Republics**

Reviewer/Opponent: Juraj Sipko

1. The aim of the thesis

The topic of the thesis is critical for future economic growth. The author clearly describes points of paramount importance. The thesis defines the main financial constraints related to small and medium-sized enterprises (SMEs) in both Czechia and the Slovak Republic. He point out on the main problems related to the factors that affect collateral requirement on SMEs.

In order to solve the main goal of the thesis, the author set up seven research questions and seven partial goals that have been verified using six hypotheses. In this respect, there is one technical comment. The author uses two main goals. In this context, it would be more suitable to use just one main goal for the thesis.

Despite this technical comment, *I would like to note that the author fulfills the main goal of the thesis.*

2. Applicability of methods and methodology

In the thesis, various types of methods were applied: logical-historical, analytical-synthesis, as well as comparative methods, including quantitative analysis. The thesis presents very important analytical conclusions regarding which factors might influence financial constraints in both Czechia and the Slovak Republic.

The author used quantitative literature analysis related to small and medium-sized enterprises. I highly appreciate the interview analysis provided.

3. Analytical approach

I appreciate the analytical approach used in the presented thesis. The analytical part of the thesis is very well done.

Although I welcome the analysis using the models, I find some differences in the table 5.19 (Determinants of Collateral) between both models, in particular, in a part related to Research and Development.

Explanation would be needed regarding what is behind these relatively high differences in the interpretation between Model 1 0,17 (0,74) and Model 2 -1,65 and (1, 61).

4. Scientific contribution and originality of the work

The main contribution of the thesis is the analysis of the financial constraint on innovative SMEs. This part of the thesis might be considered the main contribution to the future analysis of this critical part of development that SMEs currently are.

In the absence of a financial union, i.e. without the appropriate functioning of banking and capital markets unions, it is going to be further questionable whether the provision of financing for SMEs will be effective in the future.

5. The thesis and its outcome for research and education

Since SMEs play a critical role in a majority of countries, as the main contributor to economic growth, the facilitations of financial flows to SMEs is crucial. The outcomes presented in the thesis would be useful for the business sector, politicians within the decision-making process, pedagogical purposes, not only for an undergraduate, a graduate, but also for a postgraduate student. In addition, the presented results in the thesis could be a good base for further needed research.

Since the implications of the present COVID-19 crisis are not over, the financial sources for SMEs are critical. However, based on the current balance sheets in the banking sector, it might be more difficult to receive additional financial resources. Therefore, in this context, additional financial resources with the appropriate conditions attached are essential.

6. Questions & suggestions

I would highly appreciate, if the doctorate would elaborate on the following points:

- i. *The access to financial resources in the USA versus some EU member countries are different.*

Please, explain what is critical for Financial Constraints for SMEs within the above-mentioned regions and countries.

- ii. *Currently, the world economy faces the pandemic and humanitarian, public health, social and economic crises. Those crises will have a huge impact on the financial sector, but in particular, on the banking industry.*

Please explain how the present unpredictable development in the banking industry will impact the Financial Constraints for SMEs.

- iii. *Explain what might be the most critical aspect in facilitating loans and credits for SMEs in the process of the upcoming recovery.*

- iv. *Explain the main obstacles for microfinancing in both countries, i.e. Czechia and the Slovak Republic.*

Conclusion

The presented thesis is very interesting. The author conducted a thorough analysis in terms of Financial Constraints and their impact on small and medium-sized enterprises.

The results presented in the analysis might be useful for policy-makers in both countries in the preparation of a strategy for the future development of small and medium-sized enterprises.

He demonstrates his ability to analyze the Financial Constraints by using the quantitative approach, including an analysis of the reviewers' responses.

Finally, based on the result presented in the thesis, the doctorate's approach and his ability to formulate the main research, therefore, I would like to

**recommend the thesis of Mr. Ashiqur RAHMAN
for a defense.**

After its successful defence, I would like to **recommend** for **Mr. Ashiqur RAHMAN**

be awarded the title PhD, „*philosophiae doctor*“- “*PhD.*“

Bratislava, June 12, 2020


Juraj Sipko

