



# Financing of European SMEs: Patterns, Determinants and Dynamics over Time

Christian Masiak



4th Annual Meeting of the Knowledge Programme –  
European Investment Bank, 8 March 2016

- **University of Trier**
  - Researcher: Christian Masiak
  - University-tutor: Prof. Dr. Joern Block
- **European Investment Fund**
  - EIB Group Co-tutor: Dr. Frank Lang
  - Dr. Helmut Kraemer-Eis  
and the EIF Research & Market Analysis team
- **Additional partners**
  - Dr. Alexandra Moritz (current project is a follow-up project)
  - Dr. Peter van der Zwan, Prof. Dr. Roy Thurik, Prof. Dr. Jolanda Hessels (Erasmus University Rotterdam)
  - Annalisa Ferrando (European Central Bank)
  - Prof. Dr. Silvio Vismara (University of Bergamo)

## Motivation

- Prior empirical studies:
  - Focused on a single financing instrument and its determinants
  - The utilization of (a set of) financing instruments by SMEs depends on firm-, product—specific characteristics and macroeconomic/legal environment

## Relevance for the EIB Group

- Implementation of financing programs for different groups of SMEs
- Access to finance for smaller businesses → one of the top priorities of the EIB Group

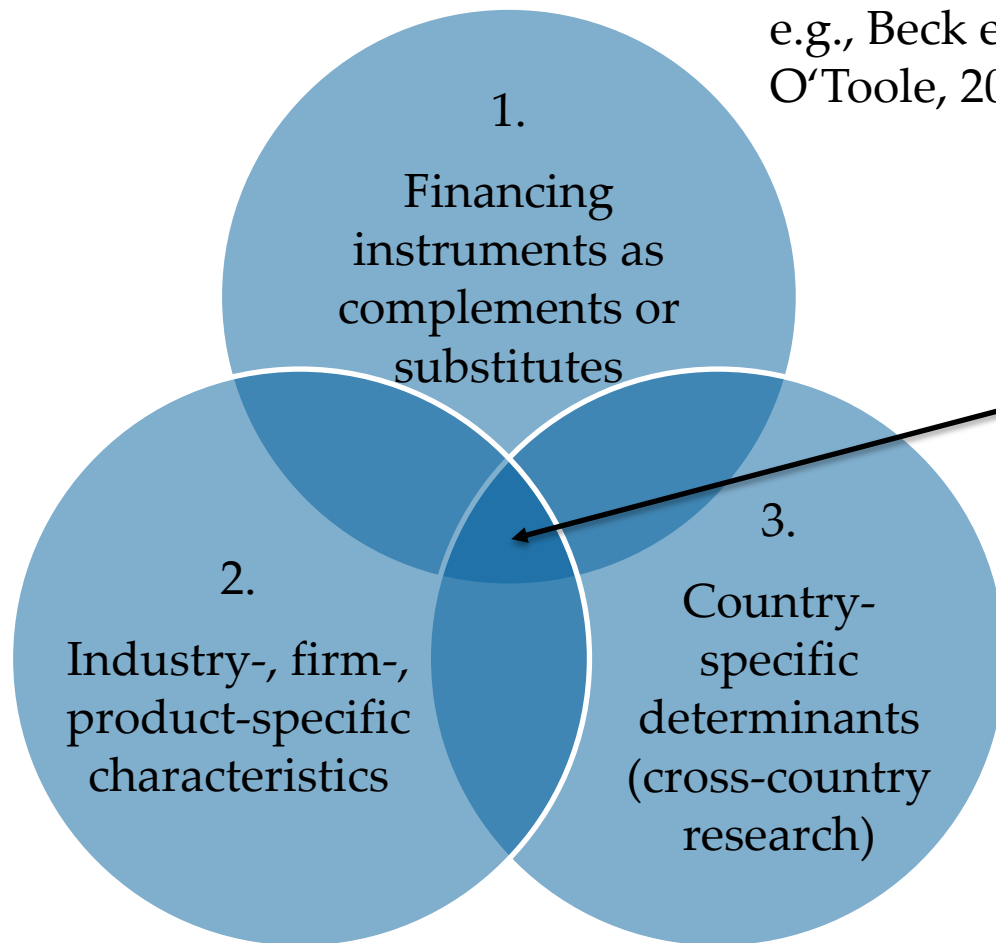


Integrative/holistic perspective of SME financing patterns



Provide the EIB Group with evidence-based suggestions with regard to the design and development of EIB and EU SME financing programs

# Research Objective (1/2)



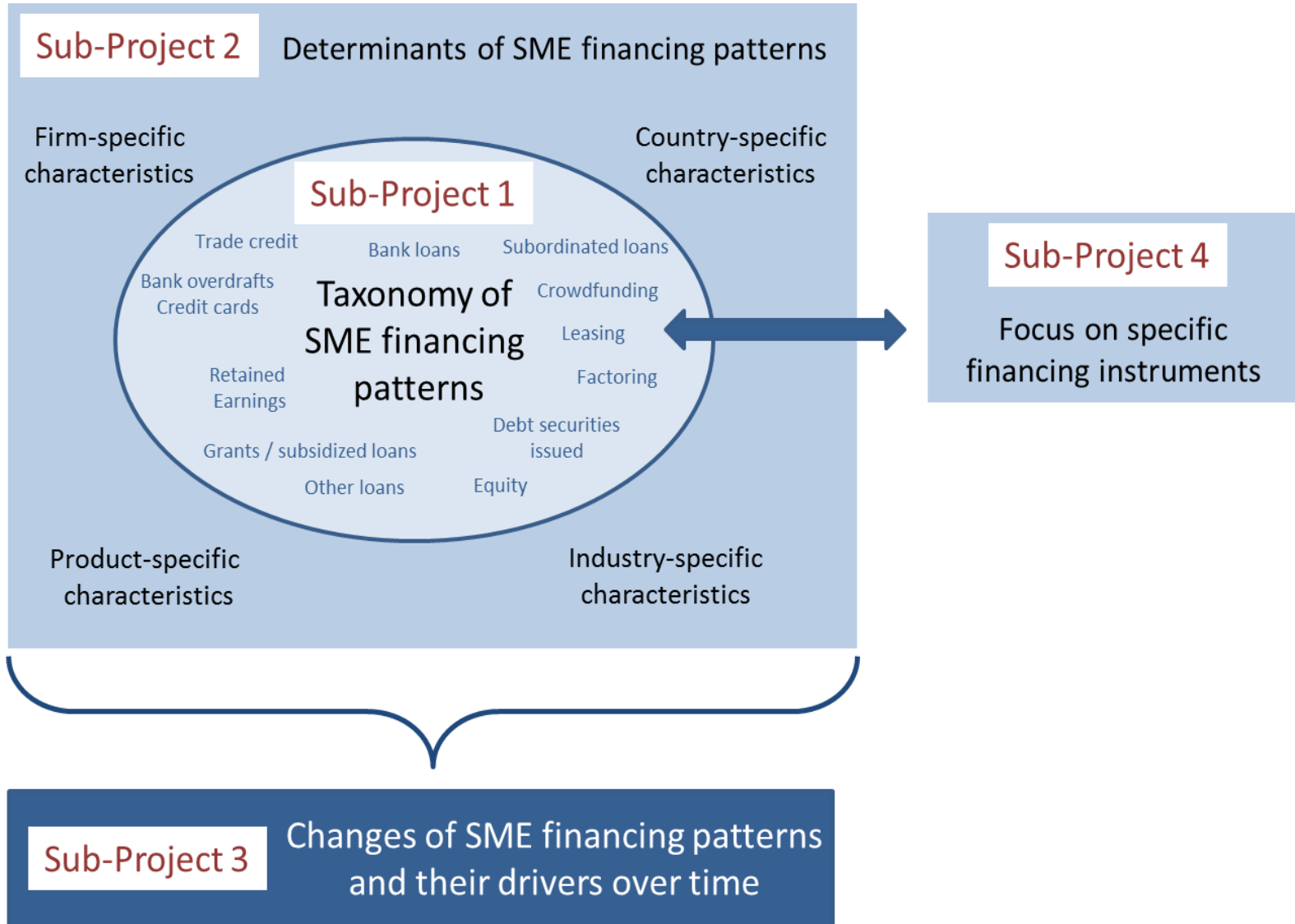
e.g., Beck et al., 2008; Casey and O'Toole, 2014; Chavis et al., 2011

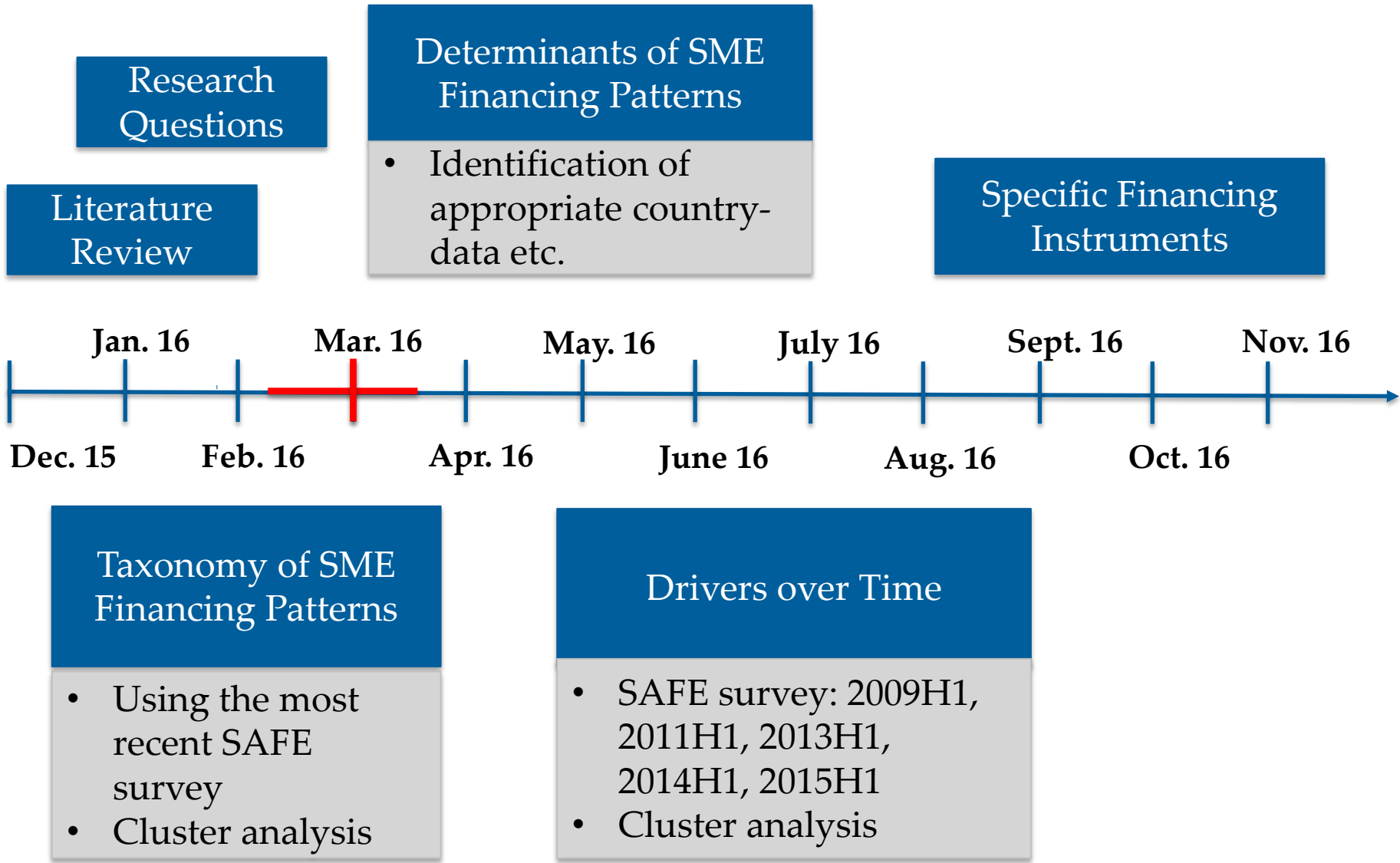
## Research objective

Empirical taxonomy of SME financing patterns in Europe and their determinants (over time)

e.g., Canton et al., 2013; Chittenden et al., 1996; Ferrando and Griesshaber, 2011

e.g., Daskalakis and Psillaki, 2008; De Jong et al., 2008; Hall et al., 2004





## **Prof. Dr. Joern Block**

Email: [block@uni-trier.de](mailto:block@uni-trier.de)

Universität Trier

Professur für Unternehmensführung

Tel. (+49) 651 201 3030

Fax. (+49) 651 201 3029

## **Christian Masiak**

Email: [christian.masiak@arcor.de](mailto:christian.masiak@arcor.de)

Universität Trier

Professur für Unternehmensführung

Tel. (+49) 651 201 4489

Fax. (+49) 651 201 3029

Link to the research project: <https://www.uni-trier.de/index.php?id=58427>

# Appendix



- Sub-Project 1: Identifying financing patterns of European SMEs and creating a comprehensive taxonomy of SME financing in Europe
- Sub-Project 2: Investigating the influence of firm-, product-, industry-, and country-characteristics on the financing patterns of European SMEs
- Sub-Project 3: Identifying changes of financing patterns of European SMEs and their drivers over time
- Sub-Project 4: Investigating specific financing instruments in more detail

- Survey on the access to finance of enterprises (SAFE Survey) conducted on behalf of the European Central Bank (ECB) and the European Commission (EC)
- Conducted on a bi-annual basis by the ECB and once per year (previously every two years) by the ECB and EC
- The following periods are used for the analysis:
  - SAFE Survey 2009H1 (Summer 2009)
  - SAFE Survey 2011H1 (Apr. – Sept. 2011)
  - SAFE Survey 2013H1 (Apr. – Sept. 2013)
  - SAFE Survey 2014H1 (Apr. – Sept. 2014)
  - SAFE Survey 2015H1 (Apr. – Sept. 2015)
- Focus of the survey is on SMEs and it includes a large number of financing instruments as well as firm-, product- and industry-specific information

- Country-specific variables provided by the OECD, the European Commission, Eurostat or the Heritage Foundation are added to the dataset such as GDP per capita, growth rate, inflation rates, private credit allocation or property rights protection index
- Method:
  - Cluster analysis to develop an empirical taxonomy of SME financing patterns
  - Financing instruments as active cluster variables
  - Passive variables (firm-, product-, industry- and country-specific variables)