

EMPIRICAL RESEARCH ON BANKRUPTCY IN SMALL AND MEDIUM-SIZED ENTERPRISES ACROSS THE EUROPEAN UNION

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Abstract: *The present study examines determinants of bankruptcy using data from small and medium-sized enterprises (SMEs) operating in 21 countries within the European Union (EU). By means of panel modelling with cross-section fixed and random effects, we showed that the number of bankruptcies and bankruptcy growth rates during the period 2007–2020 were mainly driven by factors such as outstanding business loans, total non-performing loans, loan applications and rejection rate. Given the importance of small and medium-sized companies for EU economies, labor market and GDP, the manner in which SMEs deal with bankruptcy pressure should be monitored by all players within the financial system.*

Keywords: *bankruptcy; small and medium-sized enterprises; loans; European Union*

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