



AKTION ÖSTERREICH – TSCHECHISCHE REPUBLIK

Wissenschafts- und Erziehungskooperation

AKTION ČESKÁ REPUBLIKA – RAKOUSKO

spolupráce ve vědě a vzdělávání

Final Report on the Project

“Regional variation of zombie firms’ population”

In cooperation between Mendel University in Brno and University of Innsbruck

Time frame of the project: July 1, 2022 – December 31, 2022

Participants of the project:

Mendel University in Brno

Faculty of Regional Development and International Studies:

- doc. Ing. Gabriela Chmelíková, Ph.D.
- doc. Ing. Ivana Blažková, Ph.D.

Universität Innsbruck

Fakultät für Betriebswirtschaft

- Jochen Lawrenz, Univ.-Prof. Dr.

The aim of the project:

The aim of the project was twofold. First, we aimed to publish paper *Zombie firms during and after crisis* in *Journal of Risk and Financial Management*, which originated from the previous collaboration within the project *On the Phenomenon of Zombie Firms: Evidence from the Czech Republic and Austria* which was supported by the AKTION agency in 2021. Second, our research activity aimed at evaluating of distribution and development of zombie companies in the particular regions of the Czech Republic and Austria to reveal knowledge about the population of this unproductive firms. Understanding of space distribution of the population of zombie firms among regions in both countries enables to conclude regional policy implications for the disposal of zombies to promote sustainable economic development.

Results of the project:

- Published paper:** *Blažková, I., & Chmelíková, G. (2022). Zombie Firms during and after Crisis. Journal of Risk and Financial Management, 15(7), 301:* The paper delas with the phenomenon of zombie firms which is gaining the attention of economists across different countries of the world; the increased interest is particularly evident after periods of economic crises. In our study, we focus on the development of zombie firms in the period before and after the 2008 crisis within two different economies, i.e., Germany and the Czech Republic, to provide insight into how different conditions and the overall economic context affect the fact that companies are more prone to becoming zombie firms. We implemented a difference-in-differences regression model to estimate the treatment effect by comparing the change (difference) in the differences in observed outcomes between these two countries. The data were obtained from two databases—the database Albertina by Bisnode a.s. providing financial

statements of enterprises in the Czech Republic, and the database provided by Creditreform AG, which includes annual report data for a large sample of German companies. The dataset of German enterprises included 1,444,698 observations, i.e., 338,923 firms, and the dataset of Czech enterprises included 2,139,462 observations, i.e., 523,542 firms, both across the years 2000–2016, i.e., the data sample covered the period before and after the 2008 crisis. The different development of the share of zombie firms after the great financial crisis between Germany and the Czech Republic was proven as statistically significant. The findings confirm Germany is a country with a more stable economy and with a significantly lower risk of zombie firms' persistence, while the Czech Republic is at the level of the European average in terms of zombie share. The results also suggest an influence of post-crisis monetary policy on companies and the possible link between low interest rates and a growing share of zombies.

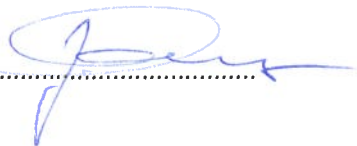
The publication fee was paid for this article amounting to 34 444 CZK.

- b) **On-line meeting** - Due to unexpected teaching responsibilities the planned meeting in Brno did not take place. Instead of this an on-line meeting was organized by the participants. The participants discussed details of further joint publication including research question, strategy in data mining, methodology. The planned travel costs 4 555 CZK were saved and returned to the account of Ministry of Education, Youth and Sports of the Czech Republic.
- c) **Project budget** – Project budget statement is attached. 34 444 CZK was used to cover the publication fee and 4 555 CZK were saved and returned to the account of Ministry of Education, Youth and Sports of the Czech Republic.

Brno, 19.1. 2022,



Innsbruck.....



*Ort, Datum, Unterschrift der Antragstellerin bzw.
des Antragstellers*

*Ort, Datum, Unterschrift der Projektpartnerin
bzw. des Projektpartners*

Místo, datum, podpis předkladatele projektu
projektu

Místo, datum, podpis partnera