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## **Oponent statement on the Doctoral Thesis**

**Autor : Sinnathurai Vijayakumar**

**Title: The Role of Small and Medium Enterprises (Industrial Sector) in Changing Poverty Status in Sri Lanka**

**Relevance of the theme:** Small and Medium Enterprises play a big part in every market economy. But there is an essential difference between its impact in European countries and in Asia. Therefore is the doctoral thesis regarding Small and Medium Enterprises in Sri Lanka very beneficial.

**Main objective of the study:** To analyze the role and impact of SMEs on national economy and simultaneously on poverty alleviation. This aim was accomplished really on scientific level. Especially is an important conclusion, that SMEs do not significantly contribute to the national economy unlike large enterprises.

**Methodology :** The analytical part of this thesis is very detailed and draws on a number of important scientific resources. For research methodology author used two stage method of questionnaire : 10 respondents from companies were randomly selected and asked to comment on rationality of interview. Totally random sampling technique has been used for the analysis of four hundred companies. Author utilized suitable statistical methods inclusive multiple regression model and testing of the autocorrelation, multicollinearity and heteroscedasticity.

Construction of three models SMEs with living standard, SMEs with productivity as well as SMEs with other variables follow up with determination of hypothesis.

**Goal 1 To analyze role of SMEs for the national economy and poverty**

H 1 SMEs do not significantly contribute to the national economy and poverty alleviation in Sri Lanka. ( This hypothesis was confirmed ).

**Goal 2 To find out the promotions made by Sri Lanka government for the growth and improvement of SMEs.**

( Although government made several efforts for development of SMEs, the growth and contribution of SMEs to the national economy is not considerable. )

**Goal 3 To examine the Living standard of employees working in SMEs**

H 2 SMEs have played the significant role to the increase of Living standard of employees.

( The impact of variables such as salary, job security is very low. This hypothesis is rejected.)

**Goal 4 : To identify factors affecting produktivity of SMEs through**

H 3 The productivity of SMEs has negatively been affected in Sri Lanka ( This hypothesis was accepted.

**Goal 5 To examine the associations among SMEs, economic growth, social infrastructure, inflation, unemployment and income inequality with poverty through**

H 4 There is association between economic growth, income inequality, unemployment, inflation, social infrastructure and SMEs with poverty. ( H 4 was accepted).

**Goal 6 To analyze the role of government in alleviating poverty in Sri Lanka through**

H 5 Government poverty reduction and other social welfare programmes have had significant effect on poverty reduction of the country. ( This hypothesis was rejected.)

Chapter 6 and especially subhead 6.3.4 I consider as the essence (heart) of this work because the author's analysis of poverty has great macroeconomic significance. Author except reliability analysis through Cronbach's Alpha measure had solved the problems stationarity or non-stationarity

**List of work Publisher : 4 journal articles, 3 ISI proceeding database – Thompson Reuters listed international conferences and 4 referred the other international conferences exceeds the requirements of university perscriptions.**

**The analysis of thesis and results is very detailed and draws on a number of important scientific resources.**

**I see the importance of work for practice and especially for regional as well as governmental authorities. Especially within the framework author's recommendation points 8 and 9.**

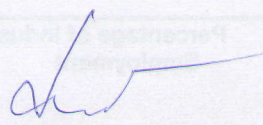
**CONCLUSION :**

**Student in his doctoral thesis proved a good knowledge of studied problems. His work represents particularly topical problem within the framework total economic analysis of Sri Lanka  
I recommend submitting the dissertation thesis for defence.**

### Questions:

1. Autor presents in his Doctoral Thesis reliability analysis by Cronbach's Alpha with source : Survey data 2012 or Sample survey. Can you explain this very nice results ? Did you acquire data from own calculation ?
2. The enterprises in your analysis were divided in to three categories – Mining and quarrying, then Manufacturing and electricity. Where is agriculture I mean mainly tee production.
3. Can you explain decrease Poverty Gap Index in urban sector from 3.7 in 1990/91 to 1,2 in 2009/10 ?
4. How do you imagine to put in your model political aspects. Dummy variables are very rough indicator for estimation of stability.

Bratislava, June, 17, 2013



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