

## **REVIEW**

of the opponent **Yuriy Ivanovych DANKO**,  
Doctor of Economic Sciences, Professor, Vice-Rector for Research and International  
Activities of Sumy National Agrarian University,

on the qualification thesis of **Zhu LIHONG** on the topic:  
“The impact of fiscal policy on small and micro enterprises under global economic  
crisis”, submitted for the degree of Doctor of Philosophy in specialty 292  
“International Economic Relations”

### **Relevance of the topic of the qualification thesis**

In the current conditions of global economic instability caused by factors such as geopolitical tensions, pandemics, rising inflation and disruptions in supply chains, small and micro enterprises have found themselves in a particularly vulnerable position. These economic entities often have limited financial resources, insufficient access to credit and higher dependence on domestic demand, which makes them more sensitive to changes in the state's fiscal policy. Fiscal policy, as one of the key instruments of state regulation of the economy, plays a crucial role in creating favorable conditions for the functioning of business. Its impact on small and micro enterprises can be both stimulating (through tax breaks, subsidies, public procurement) and restrictive (through increased tax pressure or reduced budget support). In conditions of economic crisis, it is important to study how effectively fiscal measures support the development of this sector, which constitutes a significant part of the national economy and is a source of employment for millions of citizens. The research is of particular relevance for developing countries, where small and micro-enterprises form the absolute majority of all registered business entities, and their sustainability directly affects the socio-economic stability of the country. Analysis of the impact of fiscal policy on this segment will allow us to identify areas for improving state support, ensure more efficient use of budget resources, and create conditions for long-term economic growth in the face of global challenges.

Given the above, it can be concluded that Zhu Lihong's qualification work, the purpose of which is to scientifically substantiate the theoretical and methodological

foundations of fiscal policy and the concept of its transformation under global economic crisis and the development of a comprehensive model of fiscal policy aimed at promoting the development of small and micro enterprises in China.

The dissertation submitted for defense is part of the scientific research of the Western Ukrainian National University, in particular: fundamental scientific research on the topic “Concept of recovery and green reconstruction of Ukraine” (state registration number 0124U000003); implementation of the international project (Erasmus+ Module Jean Monnet) on the topic “European inclusive circular economy: post-war and post-pandemic module for Ukraine” (registration number 101085640); business funding research on the topic “Transformation of business in conditions of sustainable development of the global economy” (Contract No. MEV-33-2023 dated 05/10/2023); business funding research on the topic “Formation of the company’s ecological brand in foreign markets” (Contract No. MEV-37-2024 dated 25/04/2024).

### **Degree of justification of the scientific provisions, conclusions, and recommendations formulated in the qualification thesis**

The qualification thesis is logically structured, contains clearly defined goals and objectives and methodologically sound approaches to their implementation. All conclusions and recommendations of the study on the impact of fiscal policy on small and micro enterprises are properly substantiated and have a practical focus.

The dissertation uses a variety of general scientific and special research methods, in particular the method of theoretical generalization (to generalize the macroeconomic genesis of fiscal policy); the historical method (to determine the environment and structure of functioning, classification of micro and small enterprises); the method of dialectical cognition (to study the role of fiscal policy for micro and small enterprises); the method of analogies and comparative analysis (to analyze the impact of China’s fiscal policy on real GDP growth, net government lending and its transformation in the context of the global economic crisis); induction and deduction methods (to formulate hypotheses, test them, generalize results and justify conclusions); methods of analysis, synthesis and data processing (to assess micro and small enterprises in the PRC in the context of the crisis); monitoring method (for analyzing geopolitical risks and internal

challenges of the impact of fiscal policy on micro and small enterprises in China); data visualization method (for visual display of the main provisions and results of the study).

The main theoretical and applied provisions of Zhu Lihong's dissertation received favorable reviews at Ukrainian and international conferences and were published in Ukrainian and international scientific publications.

Thus, all of the above allows us to draw a positive conclusion regarding the scientific level, the reliability of the presented material, the theoretical justifications and arguments put forward in defense of the provisions, the practical significance of the conclusions and recommendations arising from Zhu Lihong's dissertation.

### **Structure and volume of the qualification thesis.**

The qualification thesis is written in business English, contains annotations in Ukrainian and English, an introduction, three chapters, conclusions, a list of sources used and appendices.

In the first chapter "Theoretical and methodological basis of the research the impact of fiscal policy on small and micro enterprises", the applicant analyzed the macroeconomic principles of fiscal policy, in particular, the use of empirical research methods allowed us to show the evolution of fiscal policy theories (pp. 24-27). The research shows the role of automatic stabilizers of fiscal policy in developed and developing economies. The thesis shows that fiscal policy significantly affects aggregate demand, wealth distribution and production potential (pp. 41-45). In particular, the dichotomy between short-term fiscal interventions aimed at stimulating demand during recessions and long-term goals, such as increasing national savings and investment, is noted.

The paper examines the environment, operating structure and classification of micro and small enterprises (MSEs); it finds that donor and development agencies recognize the transformation of the business environment as vital to addressing the challenges faced by MSEs. This has led to the identification of priority areas for reform, including simplifying business registration, improving tax administration, access to the judiciary and mechanisms for dialogue between the public and private sectors (pp. 33-42). The paper examines the effectiveness and limitations of financial and fiscal

support mechanisms targeting MSEs. The paper analyses various forms of government support, including financial subsidies, procurement, loan assistance, and fiscal investment and financing, with a focus on their role in reducing operating costs, managing capital allocation, promoting employment and stimulating innovation and exports. Key benefits of fiscal support are highlighted (pp. 55-58): improved access to financial resources, promotion of formalization, job creation, increased resilience during crises, and access to expanded markets through public investment and procurement.

In the second chapter, “Research the impact of fiscal policy on micro and small enterprises in China”, the applicant substantiates that consumption trends, fiscal policy implementation, taxation patterns, and economic development indicators (pp. 66-75). In particular, it is noted that consumption growth remains subdued due to increased precautionary savings with a noticeable decrease in prices for transportation and telecommunications services. The study showed that the central government’s debt management in China follows a conservative strategy, resulting in a relatively low level (pp. 67-70). In contrast, local governments continue to have chronic deficits, which requires changes in budgeting policies.

The research highlights the structural and financial challenges faced by micro and small businesses in China, especially after COVID-19 (pp. 78-82). In particular, it is found that MSEs continue to face significant obstacles in accessing private financing, mainly because they are perceived as high-risk and low-profit enterprises. The paper notes that interest rates for MSEs have declined somewhat compared to large enterprises (pp. 82-84). The analysis shows a relationship between average wages and the growth in the number of corporate enterprises. A strong positive correlation was found, indicating that wage growth is closely related to enterprise expansion (pp. 89-90). This relationship is influenced by economic factors such as education levels, demand for skills, cost of living and industrial development.

In the third chapter, “Prospects of development the fiscal policy and MSEs under global challenges”, the applicant identifies measures to enhance the development of micro and small enterprises in China (pp. 109-111). The research proposes specific fiscal policy adjustment strategies aimed at supporting MSEs, including adaptive

taxation, which involves the use of flexible tax policies tailored to the size of the firm, the economic context, or the needs of a specific sector (pp. 112-115). The study examines green and sustainable financing mechanisms, such as green loans and bonds, which have proven vital to helping MSEs align with global sustainable development agendas (pp. 118-120). The thesis substantiates key components of fiscally sound crisis response strategies, including accessibility, predictability, effective targeting, resistance to abuse, and reversibility (pp. 124-130).

The paper proposes strategic directions for the development of China's fiscal policy, which include (pp. 128-132): targeted tax incentives for specific industries, regions or behavioral patterns; government procurement priorities that support local, small or sustainable producers; countercyclical fiscal policy and global fiscal coordination to address cross-border problems. The paper develops a comprehensive fiscal policy model aimed at promoting the development of MSEs in China (pp. 152-154), which includes a holistic strategy of financial support, reducing the tax burden and creating a favorable business environment, direct fiscal subsidies, providing expanded access to financing through credit guarantees, and interest rate subsidies.

The collection of scientific provisions, conclusions, and recommendations presented in the qualification thesis, along with their practical significance, allow for the conclusion about the completeness, coherence, and structured nature of Zhu Lihong's qualification thesis.

### **Assessment of the scientific novelty of the provisions and results obtained in the qualification thesis**

The results that have been substantiated in the qualification thesis, which have theoretical and practical significance, and define the scientific novelty of the dissertation, are as follows:

- developed the comprehensive fiscal policy model aimed to promoting the development of small and micro enterprises in China, which includes a holistic financial support strategy, reducing the tax burden and creating a favorable business environment, direct fiscal subsidies, providing expanded access to finance through loan guarantees, interest subsidies;

- improved the concept of implementing fiscal policy in the system of international economic relations by adapting organizational mechanisms to short-term and long-term objectives, combining expansionary and contractionary types of its implementation, taking into account potential challenges and threats;
- improved the methodical approaches to assessing the fiscal policy of the PRC by studying indicators of real GDP growth, net government lending, budget deficit, corporate tax revenue, and profit margins;
- improved the ways to adjust the development policy of small and micro enterprises in the PRC using adaptive taxation strategies, digital economy integration, and inclusive sustainable green financing;
- further developed the research into the relationships and key factors influencing the results of fiscal policy, in particular, the environment and structure of the functioning and classification of small and micro enterprises;
- further developed the substantiation of the benefits of fiscal policy stimulation and outlining potential challenges for the development of small and micro enterprises in the PRC;
- further developed the research into geopolitical risks and internal challenges of the impact of fiscal policy on small and micro-enterprises in the PRC.

### **Significance of the research results for science and practice**

The theoretical significance of the qualification thesis lies in solving a scientific problem and developing proposals for the implementation of fiscal policy in the context of the global economic crisis.

The practical significance of the results of Zhu Lihong's dissertation is that the main theoretical provisions of the study of key areas of fiscal policy transformation and ways to adjust the policy of MSE development in China can be used in the practical activities of business units and in further scientific developments.

The presented research results, brought to the level of practical developments and recommendations, are confirmed by the implementation certificate provided by the Jui quan Xing rongtong Accounting Agency Co. Ltd (Certificate JUI No. 21 dated 24/04/2025). The results obtained in the research have been used and implemented in

the process of forming and implementing the economic and social development program of Jui quan Vocation Technical College School of Economics and Management Ltd (Certificate JUI No. 19 dated 24/04/2025).

**Completeness of the presentation of scientific provisions, conclusions, and recommendations formulated in the dissertation in published papers relevant to the dissertation topic.**

The main provisions of the qualification thesis, which have scientific novelty, are substantively and convincingly revealed in the published papers. Based on the main results of the dissertation, 10 scientific papers have been published, including 3 articles – in scientific professional editions of Ukraine, 1 article – in a foreign scientific periodical edition and 6 publications have been published in other publications of an approbatory nature based on conference materials. The quantity and volume of the edited papers grant the author the right to publicly defend the dissertation.

**Assessment of the structure of the qualification thesis, language and style of presentation of the material**

The content of the qualification thesis corresponds to the defined purpose and objectives of the research, reveals the topic of the thesis, indicates its integrity and completeness. The qualification thesis is written in English in compliance with all the requirements for its scientific style.

**Absence (presence) of violations of academic integrity**

The scientific results of the dissertation were obtained personally by the author. In the co-authored scientific papers, only those ideas and provisions that were personally acquired by the author were used in the dissertation. No violations of academic integrity have been detected in Zhu Lihong's dissertation. The dissertation includes references to relevant sources of information, provides accurate information about the methods used and the results of the research conducted, and complies with copyright and related rights legislation. This allows for the conclusion that the author of the dissertation has adhered to the requirements and rules of academic integrity. The

qualification thesis was successfully verified for text similarity using the Turnitin Similarity online service.

### **Discussion points and remarks on the dissertation**

Evaluating Zhu Lihong's qualification thesis, which is carried out at a sufficiently high scientific level, some remarks can be made that may serve as a basis for discussion during the defense:

1. the thesis examines the classification and functioning of MSEs (subchapter 1.2, pages 28-43), paying sufficient attention to the analysis of the impact of fiscal policy on the formal sector of MSEs. However, the author paid insufficient attention to the informal sector, although in developing countries (including China), it is it that covers a significant share of microbusinesses;

2. the subchapter devoted to the impact of China's fiscal policy on GDP and government lending (subchapter 2.1, pages 61-76) provides a general description of the dynamics, but the paper does not present a quantitative econometric analysis that would allow determining the cause-and-effect relationships between fiscal variables;

3. the comparative analysis of China's fiscal policy with other countries is insufficient (subchapter 2.3, pages 91-106). The author focused her analysis mainly on the PRC without comparing it with the fiscal strategies of other countries that have gone through similar crises. Such an analysis would allow to identify unique and common features of the policy, which would increase the validity of the recommendations;

4. in the subchapter describing the comprehensive model of fiscal policy for the development of MSEs in China (subchapter 3.3, pages 144-155), the structure of the fiscal policy model is not clear enough, in particular, it requires a more detailed formalized description of the components of the model, which would increase the level of applied value of the study;

5. the thesis provides a limited analysis of the risks of implementing the proposed measures (pages 158-160), in particular, individual fiscal measures (tax incentives, subsidies, support for digitalization) are described from the side of advantages, but their risks (corruption, ineffective targeting, excessive fiscal burden, etc.) are not sufficiently analyzed.

The mentioned remarks and discussion points indicate some controversial aspects of the research. However, they generally reflect the relevance, complexity, and multifaceted nature of the chosen topic, its practical significance, and do not significantly affect the qualitative characteristics of the qualification thesis.

### **General conclusion and evaluation of the qualification thesis**

Zhu Lihong's qualification thesis on the topic "The impact of fiscal policy on small and micro enterprises under global economic crisis" is a completed scientific study, the result of which is the formation of scientifically based proposals for the development of theory, methodology and practical implementation of fiscal policy favorable to small and micro enterprises in the context of the global economic crisis.

In terms of content and professional orientation, the qualification thesis corresponds to the specialty 292 "International Economic Relations" in the field of knowledge 29 "International Relations", and in terms of quality and level of theoretical and practical developments, it meets the requirements for a PhD thesis. It presents a unique authorial approach to solving the scientific problem.

In general, the qualification thesis "The impact of fiscal policy on small and micro enterprises under global economic crisis" meets the requirements of the Resolution of the Cabinet of Ministers of Ukraine dated January 12, 2022, No. 44 "On the Approval of the Procedure for Awarding the Degree of Doctor of Philosophy and the Cancellation of the Decision of a One-time Specialized Academic Council of a Higher Education Institution, Research Institution on Awarding the Degree of Doctor of Philosophy" in terms of content, substantiation of scientific provisions and recommendations, and level of scientific novelty. The author, Zhu Lihong, deserves to be awarded the degree of Doctor of Philosophy in the specialty 292 "International Economic Relations".

**Official Opponent:**  
**Doctor of Economic Sciences, Professor**  
**Vice-Rector for Research and International Activities**  
**Sumy National Agrarian University**



**Yuriy DANKO**