
An investigation of the barriers to small business growth in Kosovo

Shaip S. Gashi, PhD Candidate

Regional Doctoral Program of Entrepreneurship and SME Management -
University of Bitola, Faculty of Economics, Prilep – R. of Macedonia
gshaip@gmail.com

ABSTRACT

Small businesses have a very significant role for general economic development of any country and for Kosovo as well. On the first part of this study in the theoretical approach are presented some concepts and definitions of the entrepreneurship, small business growth and viewpoints of the some scientists related to the institutional and other barriers that hinder small business growth. The recent literature and publications that provide qualitative empiric data related to the topic are used in this study. Further, will be explored in depth the factors that inhibit the growth and are explored some of the possible solutions.

The data used in this study are selective from the questionnaires' and interviews with owners and managers, provided from the field research, regarding the barriers to small business growth. Likert – scale for evolution from strongly disagree to strongly agree or very unsatisfied to very satisfied are applied in questionnaire to examine the level of the satisfaction of managers/owners with different criteria which determine the business climate in Kosovo. Are used the data from researches of the domestic institutions and other international agencies as well.

The main objectives of the research are to identify the barriers which have impact on business growth and to understand clearly the correlation of different environmental factors which influence to the growth.

This is an extension of many scholars' efforts to contribute on findings of the many obstacles and barriers that hinder business growth and recommendations the better solutions. This will be an asset for policy makers and different agencies of the governments as well.

Key words: Small business, barriers, growth, entrepreneurship.

JEL: D9, M13, M20.

INTRODUCTION

There are a lot of studies on this topic but most of them failed to explore the main factors that hinder the business growth in transition countries. Is evident the fact that many authors hesitate to disclose the institutional barriers on business growth, those who are related politics and people of power.

Some of the existing theories on determinants of small firm growth fail to explain the determinants of small firm growth that underline economies in the transition. They do not sufficiently take into account the institutional features and business environment, and their impact on entrepreneurship and SME growth, which usually involves high transaction costs of doing business. (Krasniqi 2007). As Bartlett pointed out, "... in most transition economies, there is not an absence, but rather a surplus of new firm entry" (Bartlett, 2002), various researchers have identified some barriers to the growth of small and the medium firm sector in those countries. Some existing theories on determinants of small firm growth fail to explain the determinants of small firm growth that underline economies in the transition. Therefore more contribution to this topic will be step forward to explore key barriers that seriously are hindering the business growth in Kosovo and beyond.

Institutional commitment on the reforming the business environment is one of the most important areas in the global development agenda for donors and governments. But this is failed from our policy makers of economic development on contest of healthy environment of doing business. The intention is to present – key concepts and best practices to policy makers in a compelling and practical way. The study is also distinctive in the following aspects. It focuses in particular on the Kosovo's growth economy compared with other economies in the region and small business growth in this contest.

The importance of this study consists on high necessity of Kosovar society and beyond, policy makers, institutions, academics and other groups of interests.

The research questions of this paper are organized in comprehensive level, exploring what are the most important results / changes happen through the last five years and describe the "critical incidents" that influenced the growth or hinder the growth. Additionally, develop the interview questionnaires referring the internal and external (legal and regulatory issues) factors that hinder the small business growth in Kosovo.

THEORITICAL APPROUCH

What is entrepreneurship?

The word entrepreneur assumed dates from the 12th century, and is related to the French word "entrepreneur" who means "Doing something different, undertaken, and act a little differently." Among of many definitions will be mentioned: Richard Cantillon's, see entrepreneurship as an economic activity under conditions of uncertainty. Peter Drucker presents entrepreneurship as a business that is organized and carried out in a systematic and effective way. Treats entrepreneurship as part of their business activities and tasks leading, entrepreneurial management part. According Drucker entrepreneurial economy is a cultural and psychological phenomenon, as much as it is economic and technological phenomenon; entrepreneurs see as rule changes as something acceptable and welcome and necessary. Harvard's Professor Jeff Timmons thinks that entrepreneurs must have "helicopter tune" should have the ability to deal with everything in detail (Solimossy, E., Merovci, S., 2006).

The first author to endow entrepreneurship with a more precise economic meaning was Richard Cantillon in his "Essaisur la Nature du Commerce en General" (1755/1999), in which he outlined the principles of the early market economy based on individual property rights and economic interdependency. In the mid-eighteenth century, classical economic theory was developed based on Adam Smith's seminal work "Inquiry into the Nature and Causes of the Wealth of Nations", first published in 1776. To a large extent this work laid the foundation for the analysis of the way the market economy functions, but it also influenced the view of the entrepreneur in the economy, who more or less disappeared from economic theory for a considerable time (Landstrom et al., 2012).

Although interest in entrepreneurship among economists seemed to lessen, we can identify a few exceptions. In this respect Joseph Schumpeter is probably the best known of the economists with an interest in entrepreneurship in the early part of the 20th century (Schumpeter, 1912, 1934). Schumpeter's idea was to build a new economic theory based on change and newness. His basic realization was that economic growth resulted not from capital accumulation, but from innovations or 'new combinations' that create a disequilibrium in the market. Another view of the entrepreneur in economic theory was to be found in the Austrian School of economic thought, represented by Carl Menger in the 19th century and further developed by Ludwig von Mises and Friedrich Von Hayek in the 20th century (Landstrom et al., 2012).

Today, the most prominent disciple of the Austrian tradition is probably one of Mises' students, Israel Kirzner (1973), who regards the entrepreneur as a person who is alert to imperfections in the market and is able to coordinate resources in a

more effective way thanks to information about the needs and resources of different actors. Finally, we should mention the work of Frank Knight, who in his thesis Risk, Uncertainty and Profit (1916, revised 1921) made an important distinction between insurable risk and non-insurable uncertainty, arguing that entrepreneurial returns result from activities that cannot be predicted and that entrepreneurial competence is the individual's ability to deal with uncertainty.

Historical evolution

As per Historical evolution (Veciana, 1999) are divided **some stages** of the entrepreneurial development and approaches:

1st stage (until Marshall): Authors tried to define the entrepreneur and the entrepreneurial function in order to explain the entrepreneur's profit as a distinctive rent (fourth production factor).

2nd stage (first half XX- Century): entrepreneurs, firms and their functions are studied as agents and factors promoting economic development mainly adopting an historical perspective (biographies, business development courses, etc.).

3rd stage (50s-70s): initial stage of development as a distinctive scientific research program in two main streams: a) research on new firms and SMEs management and b) the scientific analysis of the entrepreneur and the business creation process (Veciana, 1999).

The further stage of now days, entrepreneurship development is more complicated, characterized the raise of competition following to the rapidly advantages of the technological process including information technology progress.

What are the small firms and what is the growth?

In different countries there are different criteria of the definition of Small Businesses. Kosovo has adapted the EU definition based on the number of employees, annual turnover and annual balance sheet. As of EU definition "The category of micro - small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro." Small businesses have 1 – 10 employees (micro) and small businesses up to 49.

Small businesses become more and more significant for entrepreneurship development of any country. Small businesses are the engine of the entire economy of the country and a key factor in the development of the Kosovo as well, since 98% of businesses are small firms. But, in a transition countries economy is very difficult to stand up and to develop without proper support from the government institutions. Entrepreneurship as a creativity soul as an essential source of jobs, and

=====

a fundamental base for economic growth, create entrepreneurial spirit and innovation and crucial role in fostering competitiveness and employment. Small businesses are an individual key to entrepreneurial spirit and innovation and thus crucial to ensure competitiveness and local economic growth.

What is the growth? Many scholars in different point of view tried to conceptualize the growth of business. Not exist any definition all excepted regarding of this theory. This is multidisciplinary theory with malty implications. But in in narrow meaning the growth means creation of new values of business succeeded by many indicators that expressed the growth and success in a certain period. The OECD defines HGFs as: 'enterprises with average annualized growth in employees or turnover greater than 20 percent per annum, over a three year period, and with more than 10 employees in the beginning of the observation period' (OECD, 2007). The benefit of using the standard OECD definition is that it enables both longitudinal and international comparisons (OECD, 2007). On focus of this concept mainly is the interest to be concentrated on growth of business of the firms which has been newly established. 'Gazelles' or young growth firms are estimated to be a subset of high growth enterprises: 'they are the high growth enterprises born five years or less before the end of the three year observation period' (OECD, 2008: 20). In the transition countries with low level of development uncertainty caused due to lack support from institutions and missing of information for future behave in business environment. Uncertainty is a perceptual phenomenon derived from an inability to assign probabilities to future events, largely because of a lack of information about cause/effect relationships (Hoskisson & Busenitz, 2002). The risks become more often the threats for businesses and so much businesses rest their activities due to inability to survive on turbulence conditions. Thus, an entrepreneurial mindset can contribute to a competitive advantage (Miles, Heppard, Miles & Snow, 2000) and is necessary for creating wealth. Adapting and applying the new mindset of entrepreneurship in practice, including the segments with impact of business growth is issue of mandatory for these countries. Based on experience, we define an entrepreneurial mindset as a growth-oriented perspective through which individuals promote flexibility, creativity, continuous innovation, and renewal. In other words, even under the cloak of uncertainty, the entrepreneurially minded can identify and exploit new opportunities because they have cognitive abilities that allow them to impart meaning to ambiguous and fragmented situations (Alvarez & Barney, 2002). Perspective growth can be measured with a range of different indicators; the most frequently suggested being sales, employment, assets, physical output, market share and profits (Ardishvili et al., 1998; Delmar, 1997; Weinzimmer et al., 1998; Wiklund, 1998). Evidences of the practices from different countries, suggests that an entrepreneurial mindset may support the growth of an entire economy, (e.g.,

Sweden's economy) as well as the growth of individual firms (Jury, 1999), this might be a very good experience for transition countries.

FINDING DATA AND ANALYSES

Barriers to SME growth in Kosova

It is generally accepted that the problems of doing business are evident in Kosovo and need prompt action from scientific motivated to study this topic and to disseminate the quality studies in benefit of governments, policy makers and all other affected institutions to raise awareness, in particular this is on the interest of SBs and wider society. This will motivate owners/managers of businesses as well.

Before identifying 'what kinds' of barriers comprise the focus of the current review, it is useful to consider the classifications of barriers that have featured both in previous reviews and in previous empirical research. In a transition economy, entrepreneurs are faced with numerous formal and non-formal difficulties. Drawing from the previous discussion, the current review has been divided into four sub-sections based on the following classifications of barriers: *financial*, *skills related*, *institutional*, and *market-related*. For each sub-section, empirical research is examined, and more specific barriers are identified and described. To accomplish this, the research reviewed is that which is focused on barriers exclusively, or looks at barriers in addition to other things, such as characteristics of growing firms or stages of growth. In order to reflect the nature of the research in question, the discussion that ensues is largely descriptive, though critique is also provided.

Some of the barriers with impact of the business growth are macroeconomic environment, legal and regulatory environment, unfair competition, informal economy and corruption, financial obstacles, tax burden (Krasniqi, 2007). The data used in this study are based on the business survey conducted by the MTI of Kosovo for research of 800 businesses over all regions of Kosovo in 2011. The sample was designed to investigate the general stance and the development trends of the businesses. The sample includes SMEs across all regions of Kosovo and all sectors of business activities are covered; is constructed including three main sectors in order to reflect the differences between trade, production and services. This study explored a lot of obstacles related to environment character, as in table below:

Table 1. Barriers related to environment character

Financial barriers	Access to finance, High interest , Credit terms (short terms for returning credits), Difficulties to take the credit etc.
Economic policy and general situation	Political instability, General economic policy, Trade policy etc.
Power Rule of Law	Not the efficiency of the judiciary, corruption in courts, policy implications in justice etc.
Fiscal policy	High rate of VAT, Refund of VAT
Infrastructure	Lack of electricity, Telecommunications, Lack of water, Network undeveloped, Lack of roads.
Access to raw materials and equipment	High customs tariffs for import of raw materials, Lack of raw materials in country
Negative phenomenon	Administrative burdens and bureaucracy, not efficiency, application of legislation, licensing procedures, informal economy, fiscal evasion, corruption, organized crime etc.
Market barriers	Unfair competition, Access to foreign markets, Limited capacity of local market High shipping costs The quality of the transport services
Supply, equipment and machinery	Lack of machinery and other equipment
Workspace	Insufficient work space, offices, buildings etc. Location inappropriate
Lack of qualified Human Resources	Managerial stuff, technical stuff, finance accounting, IT stuff, field management stuff etc.

Source: Report - Research of 800 Small and Medium enterprises 2011 - MTI, refined by author.

The most important factors in establishing a political environment that supports a strong business and investment climate are: Security; Protection and guarantee of foreign investor rights; Legislative stability; Transparency; Freedom from corruption; and Good governance. In general, the low percentage of companies considering the lack of human resources as a major obstacle is not too surprising. Gelb et al. (2007) found that the basic restrictions (such as macroeconomic stability, electricity, access to finance), seems to be more important at low levels of income. The center of a modern society, economy and community is not technology. It is not information. It is not productivity. It is the managed institution as the organ of society to produce results management is the specific function, the specific instrument to make institutions capable of producing results. This goal can only be achieved through nourishing an entrepreneurial spirit, innovation, various forms of interconnecting of the businesses inside the industry, and clustering. This means

supporting the companies in the process of internationalization and approaches to new markets via export promotion and international marketing, as a contemporary approach to international trade that allows for streamlining and coordination of the business activities (Josifovska, A., Ivanovska, A., 2004).

Unfair competition (arising from tax evasion and under-declaration of workers) is referred to as higher barriers in doing business (from a list of 22 barriers) of the respondents. Given the level of public services, respondents believe that they should pay 60 percent less taxes than they pay now. In a hypothetical case, if there is a tax increase of 10 percentage points, 78 percent of respondents have shown readiness to evade taxes. Potential tax rate increases to 82.5 percent if taxes go up to 20 additional percentage points. Managers and owners of respondents believe that businesses in their respective industries reported an average 63 percent of their employees. This means that on average 37 percent of the total workforce is not reported (RIINVEST. 2013, based on research of 600 businesses listed from MTI).

According to the CBK, FDI in the period from January to September 2015 included over 260 million euros, which represents a significant increase compared to the last 3 years from 2012 to 2014. During this year there were registered 428 foreign-owned businesses, while last year that number was only 278. The increase in enrolment has also to local companies. While the termination of the businesses marked attenuation of lower trend compared with the past three years.

From the field research 29 selected businesses of different activities are evidenced the growth of businesses as of number of employees, from the year of start-up including 2012, 2013 and 2014th. In this sample are excluded the businesses which terminated the activities.

Table 2. Selection of 29 businesses on the base of number of employees increment, from the year of start up to 2014.

Nr.	Company	P/S/T	Year started	Beginning	2012	2013	2014	Difference
1	X1	P	2003	177	115	127	145	-32
2	X2	S	2013	72	0	75	77	5
3	X3	T	2008	105	114	116	117	12
4	X4	T	2013	56	0	63	72	16
5	X5	P	2003	17	56	53	57	40
6	X6	S	2003	14	48	53	56	42
7	X7	T	2012	10	10	6	54	44
8	X8	T	2002	7	33	46	58	51
9	X9	P	2012	13	26	23	66	53

= 278 =

10	X10	S	2009	84	106	119	139	55
11	X11	S	2003	22	57	79	83	61
12	X12	S	2003	9	43	55	76	67
13	X13	S	2003	2	29	53	71	69
14	X14	T	2006	5	58	59	75	70
15	X15	T	2005	56	83	72	127	71
16	X16	P	2011	1	5	52	76	75
17	X17	T	2003	2	67	63	80	78
18	X18	P	2003	16	74	82	94	78
19	X19	T	2003	3	44	59	82	79
20	X20	T	2003	20	93	97	104	84
21	X21	P	2009	2	61	72	90	88
22	X22	S	2003	6	75	90	99	93
23	X23	S	2006	3	85	93	101	98
24	X24	T	2006	15	85	85	118	103
25	X25	T	2003	32	176	47	147	115
26	X26	T	2010	5	58	117	128	123
27	X27	P	2003	3	98	119	135	132
28	X28	S	2010	1	113	106	141	140
29	X29	P	2010	9	53	102	158	149

Source: Research data from the field, refined by author.

According to the Labour Force Survey conducted by KAS, the overall unemployment rate in Kosovo during 2013, compared with the previous year, marked a decline, from 30.9% to 30%.

Table 3. Unemployment rate

Unemployment rate	2012	2013
General unemployment rate (in %)	30.9	30.0
Unemployment rate among women (in %)	40.0	38.8
Unemployment rate among men (in %)	28.1	26.9

Source: KAS (Kosova's Agency of Statistics)

The rate is too high and this is an emergent need to take all necessary action to improve all indicators of doing business and general reforms to improve the environment of doing business in the country. The number of the Jung people that

=====

join to the labour market in Kosovo is annually 25-30 thousand, while the Kosovo capacities to employee are around 10,000. To arrange this discrepancy Kosovo economy needs to grow up annually triple since the overage of growth last five years was 3.5%, (KAS).

When asked to name the biggest challenges to doing business in Kosovo, the surveyed companies named informality (together with electricity supply and access to finance) as the most severe problems they face are:

Table 4: Factors that affect the current operations of a business in Kosovo % perceive factors as a “major obstacle” or a “very severe obstacle”

Corruption	49.5 %
Political instability	41.6 %
Tax rates	40.0 %
Tax administration	35.2 %
Courts	24.3 %
Business licensing and permits	22.1 %
Qualified labour force in the operation area	21.7 %

Source: UNDP, Three policy assessments for priority trade and human development topics, 2014

Education is one of the top priorities of the Government of Kosovo. According to the Economic Development Vision Action Plan 2012-2014, development of human capital in Kosovo is one of five strategic objectives. The government is drafting policies which aim to increase the quality of human capital in order to better adapt to labour market demands. These include a special focus on the educational and vocational training sectors for human capital development in all sectors. Kosovo ranks on 87th in the world in UNDP's rankings using the Human Development Index (HDI). The UNDP Kosovo Human Development Report for 2012 suggests that Kosovo HDI has increased from 0.700 in 2010 to 0.713, albeit the lowest in the region, lagging behind Serbia, Albania, Bosnia and Herzegovina, and The Former Yugoslav Republic of Macedonia.

Generally, is accepted that most of barriers are related to external factors, respectively macro-economic factors that are related to institutions and regulations frame work. Except, the significant results still Kosovo is facing a lot of obstacles that really damages doing business environment in general. Even why, Kosovo still facing with a lot of problems to reach the equilibrium of the main indicators of business growth the significant progress has been achieved. The institutions that are responsible for maintaining macroeconomic stability have done an admirable job in ensuring that Kosovo remains one of the most fiscally and financially stable countries in the region. Significant progress has been made in the World Bank's *Doing Business Index*, with Kosovo's ranking improving from 128th in 2009 to 119th in 2011, 98th in

2012 and on 74th in 2014. However, looking at its closest neighbors and competition, it is clear that Kosovo still has some way to go; Macedonia ranks 23rd, Montenegro 51st, Albania 85th, and Serbia 86th in 2012. As is presented in the table below:

Table 5. Doing business ranking position of Kosovo and neighboring countries

Country	Year 2011	Year 2012
Macedonia	38	23
Montenegro	66	51
Albania	82	85
Serbia	89	86
Kosovo	119	98
Last position	183	183

Source: World Bank, 2013, refined by author.

CONCLUSIONS AND DISCUSSIONS

Despite the significant progress achieved Kosovo still is challenged to reach the European standards of doing business. In emergence is required to improve the rule of law to open the road the process of creation of a healthy environment of doing business. Fighting the negative phenomenon like corruption and informal economy is the particular challenge for the Kosovo's government.

However, in order for SBs to have the desired effect, entrepreneurs must be motivated to start legitimate entrepreneurs, and their enterprises must survive. The most important issues are general reforms to stimulate and convincing entrepreneurs to work legitimately; helping them to survive free market rules, fair competition of doing business; ensure the prosperity on small business growth. If the burdens outweigh the potential gains, businesses have little incentive to leave the informal economy. Even in the best business environments, the majority of new businesses fail. An unfavorable environment with high taxes, corruption, and an oppressive bureaucracy further destruct the prospects of success.

As of Rodrik (2000), Arin (2011) and Acemoglu (2003) show how better governed states are less prone to economic instability. Good governance is crucial factor to reach sustainable development. Thus, according to these studies and in the light of recent economic events, the contour of a vicious circle between bad governance and the instability of output looms: economic shocks are more likely to occur; and their destabilizing effects are more likely to persist, where institutions fostering good public and private governance are weaker. Corruption is one of the most significant impediments to economic growth. Numerous studies have found that corruption reduces human capital, discourages investment, leads to a misallocation of resources, lowers the quality of public infrastructure and services, and thus ultimately hampers economic development, (Olken and Pande, 2012).

Furthermore, as soon as Kosovo reach to reduce negative phenomenon in economy like corruption, informal economy, which in according of Statistic Agency of Kosovo (SAK is around of 30%, or around of 400 million Euros loses per year. Enforcement of rule of law is very necessary to encourage the new business start-ups, domestic new investment and foreign direct investments. In addition, due to the aforementioned institutional difficulties and the rule of law issues, specifically in the area of economic courts and contract enforcement, Kosovo is faced with a very high cost of finance. Lastly, corruption is still perceived as very high, which contributes negatively to all areas of trade and economic activity. All of these identified factors can be considered as barriers that lead to a low level of productivity and, thus, to a weak competitive position in potential export markets. In the medium-term, in order for Kosovo to achieve a real growth of about 4.5%, in line with Kosovo's average performance of recent years, growth should not only remain driven by domestic demand, but it should also be built upon a strengthened export sector. The deficit trade balance is too high (83% to 17%). Hence, efforts to enhance competitiveness should become of paramount importance to Kosovo's institutions in order to improve the external balance of trade by increasing exports. The growth rate as of recent years from 3.5 – 4, 5 is not enough to reach the sustainable development. The grow rate to reach stable economic development must be a triple. So, despite a considerable progress achieved Kosovo strongly must fight to reach the main objectives of the standards that ensure the comfortable environment of doing business in order to create the conditions of business growth.

SELECTED BIBLIOGRAPHY

- Alvarez, S. A., & Barney, J. B. (2002). Resourced-based theory and the entrepreneurial firm. In M. A. Hitt, R. D. Ireland, S. M. Camp & D. L. Sexton (Eds.), Strategic entrepreneurship: Creating a new mindset (pp. 89-105). Oxford: Blackwell Publishers.
- Ardishvili, A., Cardozo, S., Harmon, S. & Vadakath, S. (1998, May 21-23). Towards a theory of new venture growth. Paper presented at the 1998. Babson Entrepreneurship Research Conference, Ghent, Belgium.
- Arin, K.P., Chmelarova, V., Feess, E., and A. Wohlschlegel (2011) "Why are corrupt countries less successful in consolidating their budgets?" Journal of Public Economics, Vol.95, No.7-8, p.521-530.
- Bartlett, W., Bukovic, V. (2001). Barriers to SME Growth to in Slovenia, MOCT-MOST.
- Delmar, F. (1997). Measuring growth: Methodological considerations and empirical results. In R. Donckels & A. Miettinen (Eds.), Entrepreneurship and SME Research: On its Way to the Next Millennium (pp. 190-216). Aldershot, UK and Brookfield, VA:

- =====
- Ashgate.
- European Comition, User Guide to SME Definition, Luxembourg: Publications Office of the European Union, 2015.
 - Gelb, A., V. Ramachandran, M. Kedia Shah and G. Turner (2007). What Matters to African Firms? The Relevance of Perceptions Data. Policy Research Working Paper No. 4446, World Bank, Washington DC.
 - Hans Landstroma, Gouya Harirchi, Fredrik Astromd (2012). Entrepreneurship: Exploring the knowledge base, Research Policy 41 (2012) 1154–1181.
 - Hoskisson, R., L. Busenitz. 2002. Market uncertainty and learning distance in corporate entrepreneurship entry mode choice. M. A. Hitt, R. D. Ireland, S. M. Camp, D. L. Sexton, eds. Strategic Entrepreneurship Creatinga New Mindset. Blackwell, Oxford, UK, 151–172.
 - Josifovska, A., Ivanovska, A. (2004). Research in the small and medium-sized enterprises development in Republic of Macedonia.
 - Kantilon, Richard. (1755). Essai Sur La Nature Du Commerce en General. London: Gyles.
 - Kirzner, I.M. (1973). Competition and entrepreneurship. Chicago: The University of Chicago Press.
 - Knight, Frank H. (1971). Risk, Uncertainty and Profit. Chicago: University of Chicago Press.1941. "Professor Mises and the Theory of Capital." Economican.s. 8 (32): 409–27.
 - Kosovo Agency of Statistics (KAS).
 - Krasniqi, B. (2007). Barriers to entrepreneurship and SME growthin Transition: The Case of Kosova. Journal of Developmental Entrepreneurship, Vol. 12, No. 1, pp. 71-94.
 - Miles, R.E., Miles, G., & Snow, C.C. 2005. Collaborative entrepreneurship: How communities of networked firms use continuous innovation to create economic wealth. Stanford, CA: Stanford University Press.
 - North, Douglass C. (1990). Institutions, Institutional Change, and Economic Performance. Cambridge: Cambridge University Press.
 - OECD (2007) High Growth Enterprises and Gazelles, OECD, Paris.
 - OECD (2008) Measuring Entrepreneurship: A Digest of Indicators, OECD - Eurostat Entrepreneurship Indicators Program.
 - Olken, Benjamin A. and Rohini Pande. (2012). „Corruption in Developing Countries.“ Annual Review of Economics, 4(1): 479-509.
 - Report - Research of 800 Small and Medium 2011.
 - Rodrik, D. (2000). "Participatory Politics, Social Cooperation, and Economic Stability", American Economic Review, Vol.90, No.2, pp.140-144.
 - Schumpeter, J. A. (1934). The Theory of Economic Development: An Inquiry Into Profits, Capital, Credit, Interest, and the Business Cycle. New Brunswick, N.J.: Transaction Books.

- =====
- Schumpeter, J. A.: (1997), Theorie der wirtschaftlichen Entwicklung, 9 edn, Duncker & Humblot, Berlin.
 - Solimossy, E., Merovci, S. - Entrepreneurship, University of Prishtina, Prishtina, 2006.
 - UNDP Kosovo Human Development Report 2012 – Private Sector and Employment.
 - UNDP, Three policy assessments for priority trade and human development topics, 2014.
 - Veciana, J.M, (1999. “Entrepreneurship as a Scientific Research Programme: An overview”, Universitat Autònoma Barcelona (UAB).
 - Weinzimmer, L.G., P.C. Nystron, S.J., Freeman (1998), „Measuring organizational growth: issues, consequences and guidelines“, Journal of Management, 24 (2), 235–262.
 - Wiklund, J. (1998). Small Firm Growth and Performance: Entrepreneurship and Beyond. Doctoral dissertation. Jönköping: Jönköping International Business School.
 - World Bank, Doing Business 2014, Economic profile – Kosovo, 2013
 - World Bank, Doing Business 2014, Economic profile – Kosovo, 2013.