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FACULTY OF ECONOMICS - MASTER STUDIES

DEPARTEMENT: MARKETING AND BUSINESS MANAGEMENT

MASTER THESIS

THEME:

**ROLE AND IMPORTANCE OF THE CREATION OF SMALL BUSINESS
IN KOSOVO**

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INTRODUCTION

During the work of this paper, we will explain issues that deal with small business, beginning by first phases of the idea and up to the conclusion of beginning of business’s function.

Small business is becoming one of the main factors in country's economy, not only in our country but also in the majority of developed countries. In many developed countries, in statistical bases, it is noticed that small businesses are those who mainly dominate in business, so as in Kosovo, from the latest statistical data in 2014 it is noticed that 99 % of registered businesses are small business. From these data we can count that small business consists of the biggest number of employers in the country. Based on this, small business is one of the main factors of the economical development of a country including the biggest number of registered businesses, biggest number of employers, biggest number of circulation etc.

So, small business plays a big role in doing business and is beyond important for a country's economy. But, preliminarily before we must approach to the beginning of a business, we must have appropriate and exact information, then to start with the research and idea of opening a business in reality. Therefore while dealing with this theme, we will deal with issues that deal with the establishment of a small business. Access towards a small business requires a variety (a considerable number) of information, preliminarily we must be aware of what small business is:

- ~ *What is small business?*
- ~ *How does small business function?*
- ~ *What is required for the registration? etc.*

And many other issues which explain small business.

CONCLUSION

In the theme "Role and importance of the creation of small businesses in Kosovo" was aimed to emphasize the fact that how important the creation of small businesses is for the country, what

role the creation of businesses plays in the number of those employed in the country, in country's economy and family income. By considering it beyond important, there was a possibility, importance and desire to create a small business in the country. In many developed countries, it is noticed in statistical basis that small businesses are those who mainly dominate business, also in Kosovo from the latest data in 2004, it is noticed that 99 % of registered businesses are small businesses. Small business has always been and will always be for the fulfillment of important results for the world development in general, while contributing with about 90% of job places, except this generates a big part of income from taxes in order to provide health insurance, education and other public services, directly contributes in the economical increase, creation of job places, decrease of poverty and increase of government's income. After war, Kosovo confronted with different problems that have had a negative impact in business, but even though we've had some moves in this direction that resulted with position increase in business from the report of World Bank in the 86th position still remains a challenge to dedicate more in the facilitation of business conditions. Reforms of MTI in business by facilitating the procedures of business registration to commend but however it is still required to improve other issues such as consultancy, guiding, manuals and many other issues that would help to facilitate in the business registration. From these reforms, Kosovo is increased in some higher positions in business, but however not only administrative facilitations help an entrepreneur to establish a business.

Rationalization of hypothesis

- Theory and economical practice has testified that the number of small businesses in many countries and Kosovo, is too big, but also the number of businesses that bankrupt in their beginning is big, but the balance or state is in favor of businesses that survive and this number of businesses play an important role in finding new job places where we have presented this in the paper work with different statistics of employers in small businesses in Kosovo.

The birth of innovations starts from small businesses because they are in direct contact with the consummator where we are aware of problems and requirements of consummators, so the best form to solute problems and fulfill requirements of consummators in order to be as correct as possible, is the cause of the birth of new innovations.

- In the global crisis, which has lately been dominant and present in some countries, has been testified that countries that gave priority to the development of small businesses are more flexible regards to their activity. They have a small number of employers and these characteristics have enabled for small businesses in case of crisis to have the change ability where there interest is bigger, also the structure of employers has changed based on necessity and interest. This has also enabled for those employers who saw themselves in another activity, had the ability to change, therefore the surviving possibility in cases of crisis was easier faced. Bankrupting of small business hasn't impacted in social crisis because the number of employers is smaller, just like in the countries that gave priority to the development of big businesses where with their bankrupting, there were big economical and social crisis because the number of employers was big.

CONCLUSION

While dealing with literature, direct contacts and collected data from questionnaires, we conclude that:

- Number of those who want to establish a big business,
- Creation of small businesses in the country that is an important measure,
- Idea for the establishment of businesses is big,
- Possibility of the establishment of businesses is small (different obstacles),
- Lack of information about the creation of small businesses etc.
- No doubt that nowadays, small business is that who is contributing directly in the number of employers, economical increase and development,
- Number of small businesses is increasing more and more, because the small business is counting as the easiest and best way to express interest to do business etc.