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FACULTY OF ECONOMICS -MASTER STUDIES

MARKETING AND BUSINESS MANAGEMENT

MASTER THESIS

THEME:

**ANALYSIS OF ENTERPRISE FAILURE AFTER PRIVATIZATION IN
KOSOVO**

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INTRODUCTION

The privatization of publicly owned enterprises in Kosovo created two blocks of citizens, pro-privatization, and anti-privatization. However, given the current circumstances through which it has passed and the country is facing, it can rightly be said that the people of Kosovo, as regards the privatization has learned the practical realization because as soon as they heard this term they tend to be negative, inefficient, harmful, plunged into corruption and with little positive impact, we say this to the fact that the leaders, stakeholders, implementers and competent authorities for the privatization of socially-owned enterprises, carriers of an improper model for economic circumstances in Kosovo did not reach any macroeconomic effects, including economic growth, reducing unemployment and poverty, creating jobs etc. Therefore, for this reason, nationwide public concerns arise, big doubts and uncertainties on how will the process move, as was that of social type. Conditionally said, from this fear public opinion and the media have pro and against opinions. This paper in a manner is discussed about several issues, ranging from:

International project of privatization in Kosovo 1999-2008, in the framework of which dealt with topics such as the economy of Kosovo before international state building, then the implications for the administered privatization of social property by international as well as the consequences of socially owned enterprises;

An analysis and short overview of the process for the social enterprise privatization publicly owned in Kosovo, where among other things treated here are: the concept of privatization of public enterprises, macroeconomic perspective of public enterprises privatization, arguments pro privatized of public, the legal framework for the privatization of public enterprises, privatization through concessions, functioning of concessions and their impacts, analysis and overview on the privatization process, privatization - or the manual for economic destruction.

Privatization and post-privatization in Kosovo, deals with: the current situation of enterprises after privatization, the level of economic activity of these enterprises after privatization, their transformation, the failure of the privatization of social enterprises as well as corporate governance, corporatization, restructuring, concession and privatization of public enterprises etc.

Aim of the paper

The main aim of this paper is to analyze the privatization of publicly owned enterprises in Kosovo during the 1999-2008 period, and the circumstances through this process, and the consequences for the country left behind.

Objectives;

Knowing the course of the process of privatization of public enterprises in Kosovo;

The level economic activity of social enterprises;

Transformation, failure, and governance of SOEs.

Questions/hypotheses

What were the circumstances that created two blocks of citizens as privatization and against privatization?

How harmful has this process been for Kosovo's economy?

In macroeconomic terms, did this process have softening of unemployment?

What is the condition of the privatized enterprises in Kosovo?

Has this process failed?

Importance of the topic

This work is considered to have a great importance due to the fact that the privatization of socially owned enterprises in Kosovo, has been and remains one of the key problems for the country. This process has left large spots on the journey, which in our country have been a great descent, who also, I think it brings quite poverty.

Methodology

This paper on the issue of social enterprises privatization of public owned in Kosovo, will be qualitative type, which will aim through qualitative research methods to examine the theoretical aspects, the circumstances through which this process has passed.

Expected results

This work is expected to highlight different issue that characterized the privatization process.

CONCLUSION

The high expectations of the Kosovars that the socially owned enterprises privatization process will bring economic development and mitigation of the difficult economic situation, are not realized. Reconstruction and economic development, which were the responsibility of the pillar led by the EU in Kosovo, was a daunting task at the beginning of the international project of building the state. In the summer of 1999, Kosovo's economy was in tatters after decades of economic and political crisis, mismanagement, lack of investment, destruction, and war.

State building administered by the International is emerged as key western security strategy. as a manifestation of the liberal peace thesis. The Kosovo's Privatization internationally led was conducted in a way that resulted from the combination of a state building format of stabilization and liberalization, and Kosovo's specific environment. However, Kosovo began the privatization of social enterprises overall in 2002, at a time when the region had completed the process. Meanwhile, it is observed that privatization in Kosovo has missed each time results due to outside investment. However, we cannot call it totally unsuccessful, because a number of enterprises are transferred - have gone to the private sector, there we have investments. Also, the number of employees in these enterprises and efficiency have been increased and the effect on the economy now is noticed.

In the first chapter, we have mentioned only some theoretical aspects related to privatization in general, then;

In the second chapter there were variety of matters discussed related to international project of SOEs privatization in Kosovo during 1999-2008, the project which was not at all good for decision because in fact it has only brought the limiting of the socioeconomic potential of Kosovo, narrowing the possibilities of operations of enterprises and transforming them into cash at a time of the low value, so I think that this process led by the Internationals in Kosovo, as such only has resulted in the loss of jobs;

The concept of privatization of social enterprises, their perspectives and analyzes of the overview of these enterprises are the issues which were discussed in the third chapter, by analyzing all this material, this process originally was thought that would increase the country's budget, it actually influenced but it decreased jobs, but they provide the level of employment in the long term,

while the fourth chapter is dedicated to the process of privatization of public enterprises in Kosovo, with special emphasis on the Sharr Cem enterprise. In the fifth chapter, we give recommendations and a summary of the entire paper.

Therefore, the privatization is considered an important tool for the economic development, but in the case of Kosovo, it is the market as one of the main causes for rendering the country in misery. All data, analyzes and various studies show that this process, until now did not bring anything to Kosovo apart the economic stagnation, unemployment, and social crisis.