

## ENTREPRENEURSHIP AND INNOVATIVE SME'S – AS A KEY OF ECONOMIC DEVELOPMENT - KOSOVO CASE

**ILIR BYTYÇI**

PhD Candidate, European University of Tirana  
Tirana, Albania

### ABSTRACT

**Entrepreneurship** is capability and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses. Entrepreneurship is a dynamic process of continuous change the economic structure and its effectiveness, in which individuals takes the risk to business outcomes. There are different definitions by different authors. Referring to Schumpeter entrepreneurship is defined as 'creative destruction', Drucker call as 'the entrepreneurial economy', etc. To be an entrepreneur means to be innovative and look for new opportunities and possibilities. In economics, entrepreneurship combined with land, labour, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace. Today **Small Medium Enterprises (SME)**, acting key role for economic development. Small businesses contribute to the productivity of any country in several ways: they simulate the change in the business sector; they are laboratory inventions and innovations thanks to the ability to quickly respond to new technology and market competitive conditions, they also open more opportunities for new jobs for many workers. Today, thanks to the Internet and telecommunications, ever more they are taking part in the globalization of the commercial entrepreneurship. **Innovation** - today we are living in turbulent economy and innovation can be used to drive changes, such as new materials, ideas, or fashions, to shifting needs and to bring those components into harmony. Why innovation matter? Innovation in products, services, management systems, production processes, corporate values and other aspects of the organization are what keep companies growing, changing and thriving. Without innovation, no company can survive over the long run. **Kosovo** as a country in transition is facing with problem of economic growth and development. Because these businesses are crucial to the overall process of economic development, the government must take measures to care and support the creation and development of small and medium enterprises.

**Keywords:** Entrepreneurship, innovation, development, SME, economic development.