

OBJECTIVES AND ACTIVITIES FOR ECONOMIC DEVELOPMENT OF BUSINESSES IN KOSOVO

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ABSTRACT

New technology development with impact on national economy growth and also society wellbeing are elements that beside developed countries also countries under development stage started to pay special attention. At a time when migration was a nightmare of 90' for the majority of Kosovo population, fortunately, today focus and regard on migrated population is huge and promissory. I emphasize this considering the progressive made by majority of them in the places where they live as by their experience gained in different technological and economic fields in general and also in advancements and educational development by most of them. The potentials of the majority can be used in strategic development – or in more advanced development against the competition, in our case with our regional countries as countries under development. The usage of the diaspora expertise in the present and in the future are fully related with their experience – such knowledge easily considered as advantage in economic development. As mentioned earlier, by their knowledge there will be a great impact on positive development in different fields including educational system, bank, technology, alternative energy, farming and other fields necessary for development of society in general. Educational system – the basis of the development of a country – state. Any development starts from education and this is an advantage where diaspora has a great number of educated people and their experience are welcomed for the commencement of radical development in education which is also interconnected than within economy. Banking system – considering that the educated in diaspora have higher managerial positions in many banks in Europe, Kosovo bank system requires a development and improvement that diaspora can bring and practice. This positive point can easily bring us benefits and advancement in this quite important economic field also effects on economic strategic development. Technology, Alternative Energy, Farming – are all important fields where fortunately the majority of Kosovo population that lives in diaspora have very excellent experiences that will bring in Kosovo which will effect on the development of some sectors that for a time were the base of the development in this territory.

Keywords: Strategic development, diaspora, economic development, Kosovo.

INTRODUCTION

New trend in economic development of a country are closely related with regional and global trade developments. Considering the stagnation of our country caused during a decade as a result of political developments in Ex-Yugoslavia countries and the impact of this stagnation left consequences that even today is hard to get over them, it is important to focus and look for the best possible from our diaspora. Today, we have the possibilities to enjoy the best from that time considering that it was a time of national agony during 80s' and 90s', therefore today is a light of hope beside remittances received from them. Therefore, I say that diaspora is a golden resource of material goods toward which we have to be better concentrated and to be prepared for economic goods that diaspora could bring, too.

Considering the evacuee population during migration time by end of 80' and 90' fortunately our compatriots have achieved to walk with steps of the nation where they have emigrated and thank to their commitment in integration, most of them have achieved to finish high schools as the Bachelor degree also the higher education like Master and PhD level (Doctorate Sciences). This possessed good side shall anyway be brought in Kosovo in order to give a contribution in educational, culture and economic development.

Thanks to the absorbed education and experience that our migrated population has we can find a reasonable solution to create a good place for investments and their capital. Considering that regional countries mainly those of Ex-Yugoslavia that have moved a little forward around the creation of conditions for foreign investments, we urgently need to change the until now strategy of the action at least in relation with diaspora enabling and offering them investing conditions in fields that we have national advantage.

During month of February 2013, on this issue has been hold a round table and based on the report published on public website Telegraf. "In this round table were discussed the achievements of the Government of Kosovo in creation facilities for investments from diaspora, but also were put out legislative disadvantages and barriers that are disconcerting foreign investments, but also Albanian diaspora that invest in Kosovo.¹" Therefore, field that we can be competitors and we can use the potential of diaspora in creating strategic development aiming also the achievement to employ as many people as possible that are able and have experience to work in such economy fields are education system, bank system, alternative energy, technology and farming.

Education system and diaspora contribution in its development

In education field we can be much more advanced that regional countries and we can use the potential of the graduated in diaspora as an advancing strategy that we use for the goods that can come out from Swiss, German, Fin, English and American system. Here we can take as an example The American University in Kosovo (AUK) where a staff graduated in Germany, England and United States of America teach there and who are a part of population that belongs to the Kosovo diaspora where these people now teach and contribute in advance of Kosovo Education. Moreover, we can use the teachers from diaspora by offering them conditions for opening a season schools in a form of offering courses for specific subjects even those of technology, operating or also other instructions that can be used for the offering of work contracts in Central European countries for youth from Kosovo where from taken abilities by teachers from diaspora can easily be adopted with the culture of the country and meanwhile also with the culture of work in those places where they can temporarily work.

Bank system

Considering the development of banking system in Kosovo and in specific the systems of banks from Central Europe like German one –Pro Credit bank and the Austrian Bank – Raiffeisen bank, we see the potential in this economy field. From the table below we can see a percentage or participation in market of operating banks in Kosovo. As noticed in above mentioned banks they have the majority of Kosovo market and their position in this market every year is becoming better and better.

¹<http://koha.net/?page=1.3.133776>

Bankat Komercale qe operojne ne Republiken e Kosovës

Banka	Filialet/deget	Kapitali	
ProCredit Bank	55	100%	I huaj
Raiffeisen Bank Kosovo J.S.C.	52	100%	I huaj
NLB Prishtina sh.a	50	100%	I huaj
Banka për Biznes	41	57%	I huaj
		43%	Vendas
Banka Ekonomike	40	100%	Vendas
TEB sh.a	26	100%	I huaj
Banka Kombetare Tregtare – Dega Kosovë	24	100%	I huaj
Komercijalna Banka – Dega Mitrovicë	9	100%	I huaj
Turkiye Is bankasi - Dega Prishtinë	1	100%	I huaj

Reference: Central Bank of Kosovo (2010-2013)**Coment and analysis: ODA**

In banking system there is a possibility for huger development. This can be easily achieved by investments and the opening of new banks, therefore we can expect strategic development with impact on the improvement of conditions on doing business and moreover better conditions for physical persons that may profit by the usage of bank service even from those from more profitable interests of borrowing, transfers and also the most favorable interests for deposit. In order to make this opportunity real with little concentration can be created and offered a place for investment in banking operating field with special focus on the potential and capital of our diaspora.

From below table we can see the assets and deposits through Kosovo banks among years. Structure of banking security system (in million Euro).

Undoubtedly that even in this field there is a need that national institutions and exactly the Ministry of Diaspora to offer conditions for the initiation and opening of at least a bank with capital from diaspora business persons. Another fact that can reach the best strategic development in this field can be mentioned also millions of remittances sent by our compatriots. According to the data of Central Bank, Kosovo during 2014 has received around 693.7 million euro revenues from diaspora, whereas during 2015 revenues from remittances have been 700 million euro, where their biggest part has been directed in the building of objects, consume and health². Therefore considering this, we see that banking system can be a quite important factor with the opening of a bank with the capital of our population in diaspora, this will help the local population in general and will create a better environment for employment of many graduated in or out of the country.

² <http://www.monitor.al/bqk-rriten-remitancat-me-15-8/>

Description	June 2011	June 2012	June 2013	June 2014
Cash and balance with Centrak Bank of Kosovo	265.3	298.4	355.4	358.2
Balances with commercial banks	319.5	265.3	261.4	318.7
Shares-Securities	205.6	215.6	246.3	405.3
Bruto credits	1624.9	1776.3	1825.7	1889.8
Fixed assets	45	49.9	57.6	55.2
Others assets	40.7	46.9	40.5	32.2
Total	2501.0	2652.3	2787	3059.5

Reference:Central Bank of Kosovo (2014)

Deposits of banking system (in million Euro)

Description	June 2011	June 2012	June 2013	June 2014
Deposits	1957.8	2108.5	2201.3	2421

Reference:Central Bank of Kosovo (2014)

Alternative Energy

Fortunately, the geographical position in Kosovo enables that the alternative energy to have a development and also brilliant future. So far, we have such projects that are implemented in this energy field. Below there are two cases of projects in question.

The company “Belenergy” from Belgium has selected the municipality of Decan to invest around 300 million euro for the construction of turbines that produce wind energy. The representative of this company Hajdin Bela has displayed the project and the offer on Friday at the municipal Mayer and in the presence of local experts of Deçan related to the realization of projects for the produce of alternative energy, preliminarily of turbines that enable the produce of electric energy from wind. “Decani, because of its configuration, is very attractive for the realization of alternative energy projects”, Bela said. In this bidding conversation of Belgian company “Belenergy” has asserted that for the realization of this capital project all bank guarantees of the company in question exists for investments up to 300 million euro³.”

Furthermore, we have another case when a Swiss company makes a quite important investment in our country.

“Swiss company Upwind International I GmbH will install 15 wind mills (wind turbines) in Zatriç of Rahovec in order to produce electric energy, in a project where it has calculated to invest up to 60 million euro. In the decision of the company to select the place of investment, has played a key role also the appropriate infrastructure⁴.”

³ Newspaper Koha Ditore, 19.02.2011

⁴ Petrit Çollaku, Newspaper: Jeta në Kosovë, 30 January, 2013

As it can be seen the product in this energy field has just started to notice and hope that the facilitating policies for investment in this field will attract more and more foreign investments.

Technology

A special importance in economic development necessarily economic development plays an important role the developing of technological development in Kosovo. Mentioned earlier that the stagnation during 10 years occupation period from 1989-1999, have destroyed any kind of possessed technology in our country. Thanks to earlier experiences of local experts as well as knowledge taken from our compatriots in countries where they live, I am optimist that this field will soon have quite rapid and vital development. As an example, we can consider the case of our compatriot, as an investor in the alternative energy – Mr. Hajdin Bela who is among others emphasized that: “In the project has been outlined and planned not only the produce of alternative energy, but will also be built the factory for the produce of turbines with the real possibility of employing around 200 employers⁵”.

Thanks to the same engagements as from compatriots even from foreign investors, I can say that technology field enters in prior fields where can and must get focused with the aim of progression in technology with direct impact on economic development.

Farming

Extremely valuable as a sector and attractive for investment even foreign or local, farming in Kosovo has an old tradition on cultivation and productivity. In this field has been worked more or less also by privatization of some farms the development has not been missed. “The development of farming in country depends on general economic developing trends of the country. It is estimated that inputs that a country possesses are sufficient for the development of farming activities in comparable level with regional countries. Current trends of farming development in country depend on individual capital investment on building new objects and privatization of society sector objects, however due to evaluation of current state in field at building of objects and farming infrastructure does not demonstrate any risk in urbanistic plans in local level and environmental plan in general. Development in farming is regulated with the Law over Farming in Kosovo and of 10 yrs. Developing Strategy⁶.”

As it can be seen from the report issued by Ministry of Environment and Spatial Planning, farming in Kosovo is a sector and very important part of the economy of the country. Moreover, we can say that farming can be a powerful source of incomes and a place where majority of our population may be engaged and by this can start a form of individual business since the ministry of agriculture for a time is giving donations for the interested population that deal with this sector. Wide performance as it started in this economic sector, gradually give us an advantage compared with regional countries and also there can be created an investing oasis as per our compatriots also for businesses from Europe that give attention for this sector.

⁵ Newspaper: Koha Ditore, 19.01.2011

⁶MINISTRIA E MJEDISIT DHE PLANIFIKIMI HAPSINOR- “IPVQ RAPORT SEKTORIAL – BUJQËSIA, PYLLTARIA DHE ZHVILLIMI RURAL”

CONCLUSIONS AND RECOMMENDATIONS

The contribution of diaspora has been evidenced on the hardest time that the country has gone through. Today, considering their commitment and zeal that they have for their homeland, with a solid engagement and with the volition by the Government of Kosovo, they can create an attractive economic place for investments for our compatriots also for foreign investors.

In order to be competitors and to create an advantage by applying strategic management, I can say that fields that we can be productive can create a good economic base, adding also the potential of investments attractions and by foreign entrepreneurs concentrating in education system where we start to create a national base for any other procedure, than focusing the potential in capital investment of diaspora in banking system – which sector is evidenced that has a potential for creation better and more favorable conditions to do business and to create a vigorous banking system for local businesses. Afterwards, concentrating in the energy of the future or in alternative energy in which field we have investments and projects that gradually are being demonstrated as attractive fields for investments, using also the field of technology as inseparable part of stabile development of economy of the country and finally going back to the farming sector on which we have quite good and evident culture and tradition of cultivation that our country with these potentials enters in the agenda of entrepreneurs interested for investment in Kosovo.

All the above mentioned give us a clear review for opportunities that our country possesses to be attractive for investments and to get engaged in those fields where the progress is inevitable. Therefore, all these goods that we possess must be announced and bid first of all to our diaspora and meanwhile to lobby for the same things also to European countries available for investments with the only aim to manage with possibilities that could be created and meanwhile to be in line with foreign investments in comparison with neighbor countries and considering that we have another additional asset – young generation that we can engage and create possibilities with the aim that employing not to be something unachievable but to use their commitment to benefit the economy of Kosovo.

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