

THE INFLUENCE OF MACROECONOMIC POLICIES AND THE ROLE OF HUMAN RESOURCE IN DEVELOPMENT OF SME: IN FOCUS OF THE STUDIES ARE THE PUBLIC AND PRIVATE ENTERPRISES IN KOSOVO

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Abstract

Macroeconomic policies developed for the purpose of determining routes and opportunities to overcome negative situations that exist in the country, because the defined macroeconomic policies in one or more of the goals are not achieved in a satisfactory manner. Macroeconomic policies are: taxes, unemployment, inflation, economic growth, etc., which directly or indirectly influence in the development of SMEs.

Macroeconomic policies are designed to explain why these problems happen, and will recommend corrective policies for economic development and prosperity of the economy country and including also the development of SMEs.

Based on the research in reality it's understands the impact of macroeconomic policies, which has a direct impact on the development and increase of SMEs. The focus of this study is the management of manufacturing and trading enterprises in Kosovo.

The purpose of this article is to analyze the impact of macroeconomic police in the development of SMEs, new perspectives in the management of enterprises and human resource management role in the economic growth of the organization.

Research study topics / may be of particular importance for the staff of private or public organization which want to make changes or impact analysis of the influence of macroeconomic policies in development of SME and management of enterprises and human resources.

Keywords: influence of macroeconomic policy, management of enterprises, human resource management, development of SME, economic increase of the organization.

1. Introduction

The SMEs in Kosovo face with challenges of economic and non-economic factors; they have been and are in focus of many researchers, like internal researcher's and external researchers. The research for a long period has been limited both in public and private organizations, and therefore a lot of controversy problems are never analyzed. A view from the aspect of economic transition analysis, our country has gone through a long transitional period could probably be called as the state to which the transition has been the longest compared to other countries in southeast Europe. The consequences of the economic crisis, political, social, were quite large, it was also very influenced by transition endless.

According the ARBK, the number of SME registered on december 2010 was more than 100,000, which employ 216,799 employees, or 79.59% of the total employees in the private sector and 62.24% of the total employees in Kosovo. Size of SMEs in Kosovo is defined by law no: 2005/02-L5 and law no. 03/L-031 to support small and medium enterprises. Number of employees is the sole criterion used for the classification of enterprises by size in Kosovo, and this is the difference with the EU countries, which, in addition to the number of employees, in determining the size of enterprise take into account the annual turnover. By analyzing the total of organizations and percentage of employee participation in the labor market in the country with 62.24% understand that is the primary interest of public institutions to support SMEs through genuine macroeconomic policies in order to encourage investment in businesses.

2. Literature review

2.1 The impact of SMS in economic development

The impact of SMEs in the economy of the Republic of Kosovo is very large, based on official data more than 99% of enterprises in Kosovo are SMEs (Development Strategy,

2011). The domination of SMS in the economy of the Balkan region is relatively high. The Totojani and Kercini (2008), in their paper entitled, "The current situation and prospect of engagement in SME development in Albania", represented the importance of SMEs in the economy, and they constitute 90% of the enterprises operating in Albania, where considered their influence is very effective in transition economies, in hiring the illegitimate and poverty reduction. According to Koro (2007), as in other transition countries in Kosovo, there is a lack of knowledge, of technical skills, information and managerial skills. The data show that unfair competition, tax avoidance, the informal economy and the public services considerate to be the main barriers which affecting the development of SMS (Abdixhiku, 2007).According to Mustafa (2011), SMEs face the challenges that bring economic crisis and globalization, they demonstrate a high degree of innovation, flexibility and adaptation to the changes that occur, they have an increasingly larger impact on the national economy and international.

3. Aim of study

The purpose of this paper is to analyze the impact of macroeconomic policies on growth and development of SMEs. The focus of the study will be public and private sector undertakings.

Research questions of the study will be:

- Macroeconomic policies affect the development of SMEs?
- The investments of Diasporas can affect in increase and development of SMEs?
- Implementation of new perspectives in the management of enterprises and human resource management?

4. Methodology

In this research are applied modern methods of research which include:

- Critical analysis of the literature dealing with alteration study.

- Analysis of official documents published in the electronic address (internet)

- Analysis of the published annual reports, and

- Analysis of data sources relating to research / study of similar cases.

Records, reports and documents submitted, are analyzed in detail, in order to create a clear picture for this research.

5. The result of research

5.1 The impact of macroeconomic policy in development of SME

Unlike Microeconomics which are more focused on the study of consumers, firms, households and government agency the extent that their activity is related to allocate resources and the operation of separate sectors of the economy, macroeconomics deals with the study of the economy as a whole, it is very complicated and there are too many factors that affect it.

Through macroeconomic policies made to avoid economic shocks or economic crises, so these issues are regulated by policy changes they hope will stabilize the country economy.

Compiled macroeconomic policies with the aim of defining the routes and options to get out of unwanted situation, mainly because one or more of macroeconomic goals are not arrived in a satisfactory manner. Problems faced by macroeconomic policy are the: taxes, unemployment, inflation, economic growth, etc. Macroeconomic policies are designed to explain why these problems arise and recommend corrective policies in terms of development and prosperity of the country. Macroeconomic policies usually aim to promote stability and economic growth, governments apply certain policies which are considered by them as he needed to maintain stability and to promote economic growth. Economic policy management is achieved through the application of two types of governmental strategies: through fiscal policy and monetary policy.

Macroeconomics deals with the study of the behavior of the national economy on the whole, the study of economic aggregates such as total product, unemployment and find the job, the overall level of the lowest rate and inflation, the balance of domestic and foreign economic, business cycles and growth economic performance of the country.

Budget of Republic of Kosovo, mainly arising from the revenues realized through taxes collected from tax and customs administration in Kosovo, these revenues constitute more than 90% of total revenues. Therefore, analyzing the country's budget and how he accomplished it is difficult to expect the improvement of macroeconomic policies, which means that current policies currently do not favor SMEs in the country, that there will be improvements in this highly dependent how to fulfill the State coffers.

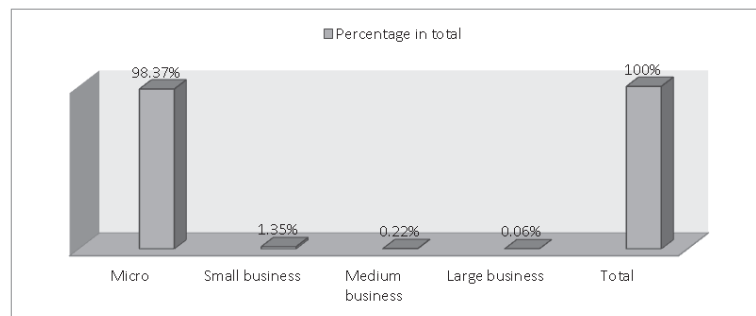
The only measures that can be taken at the moment which will affect the growth of SMEs are formal; preventing or minimizing the economic activity of all SMEs that avoid paying taxes, including direct and indirect taxes, punishment of SMEs which carry or possess contraband goods and which operate outside the formal economy, such actions will affect the creation of favorable macroeconomic policies, which will directly affect the establishment and development of SMEs. Also the macroeconomic policy should be supported the industrialized enterprises which more than 50% of their products export to other countries, for investors to invest in Kosovo free of all customs and tax obligations, and the creation of economic common market with the Republic of Albania.

5.2 The impact of internationals and Diasporas investment in development of SMS

5.2.1 The impact of international support SME development and growth

As the second half of '99 the Kosovo's economy has been largely driven initially by international economic support. Kosovo has experienced steady economic growth since the end of conflict in 1999, where GDP grew two digits and that during the year 2000-2001. Reflecting this increase was as a result of financial support from donors in efforts to rebuild Kosovo after the war (World Bank, 2010), this increase also affected the financial support and direct and indirect investments of diasporas. Then the country's economic growth was moderate, feeling for entrepreneurs, motivated and driven by financial benefits of the international institutions and donors, on the horizon appeared and developed a large number of businesses that had a direct impact on employment and development of SMEs. The role and impact on the economy of the country is the private sector, especially SMEs so far has not been much of satisfactory, however, this sector has helped in the development of the country and reduce the unemployment rate which is the highest in the region.

Out of a total of 103,755 registered companies, 102,070 (or 98.37%) are micro-enterprises, small enterprises are 1,406 (1.35%), medium 221 (0.22%) and only 58 (0.06%) are classified as large enterprises. In terms of sectored breakdown, SMEs are mainly concentrated in: retail trade (50%); transport, storage and distribution (14%); food products, beverages and tobacco (9%); as well as hotels and restaurants (9%). According to the SME Policy Index (2009), the distribution sector has remained stable over time (Development Strategy, 2011). As a result of the greater prevalence of micro-enterprises has an implication in creating strategies for SMEs Chart No.1; given spectrum of registered enterprises in Kosovo.



The Kosovo is still in the transition phase, where entrepreneurship and the creation of small businesses are expected to play a key role on the road to a modern free market economy and therefore to the development and economic growth. Kosovo suffers from no balancing of payments as a result of higher imports in relation to exports, and this phenomenon is due to Kosovo SMEs are not competing at the regional level respectively internationally.

Today, SMEs are exporting the redacted/poor, they export metal, some basic agricultural products and minerals produced by major companies. SME policy index shows that Kosovo for several different reasons is still in the stage of completion of basic requirements institutional, legal and regulatory framework dealing with SME policy (Development Strategy, 2011).

But one of the factors that hinder the normal functioning of the economy in the Republic of Kosovo and the development of SMEs is:

- Informal economic activity of certain enterprises, which in a measure of pengonë fair competition and increase the relative costs of enterprises operating in the formal sector.
- Tax evasion affects the economic growth of SMEs, the macroeconomic policies for a fairer redistribution planning the country's budget.

According to the report "Government Program", for the prevention of the informal economy in the Republic in Kosovo 2010-2012 ", calculated measures of the informal economy ranges from 39% to 50% of GDP(to close with the informality in Balkan states)

5.2.2 The role of Diasporas in creation of SMS and national economy

Diaspora's role in the national economy would be of primary importance, taking into account the number of Western European countries and the U.S.A. In countries with high unemployment as in the case of Kosovo, migration reduces the pressure on the labor market, and also can ease fiscal pressure. Our country's economy even though it had a relatively high economic growth in relation to the country of the region, according to an international report Kosovo had increased 3.6 and is considered the largest economic growth in Eastern Europe during 2012 (World Bank, 2012), it needs new investments and consistently, because for a period longer than 30 years were no investments that will affect the growth and welfare of the citizens. One of the ways for the improvement and

growth of SMEs would be the withdrawal of funds / investments from the diasporas for more than 20 years has played a major role in the processes and economy of Kosovo. Financial support from diasporas for the moment is run with much help at the front which are used more for personal consumption by people living in Kosovo.

According Kosovo is advanced in the protection of investors, are also made facilities in starting a business by eliminating the minimum capital requirement and business registration fee, which has helped to improve the ranking, from the 117 in 2012 in 98 place in 2013 (Economic Report, 2012), but these actions do not suffice in promote investment. Based on the report with regional diasporas Kosovo ranks first As for the contribution / amount of money sent to the mother country, where most had listed elsewhere in the Balkans southeast as: B & H, ALB, SRB, MNE, MKD (report economic, 2012). Remittances from the diasporas result of having been a safety valve for many Kosovars, they are a greater source of external financing for citizens and economy of Kosovo. Although over the years 2004 - 2010 the share of shipments fell from 17.5 percent to 13 percent, it still is considered quite high by regional and global standards (World Bank, 2011).

Based on interviews with the businessmen's from the diaspora, who are interested to invest in sectors which have worked for many years in some states, especially in Germany and Switzerland, consider barrier: the lack of personal security, security of investment, supply where utilization of electrical power generators increases the cost of production receptivity services.

To promote the diasporas investment in SMEs, there is a need for a stable business environment and infrastructure services applicable legal, advisory assistance for interested investors, knowledge / information about opportunities in the market. Practice has shown that central Institutions until now very few have succeeded in implementing sustainable strategies for the development of SMEs. To succeed, SMEs sustainable development will require concerted efforts among stakeholders, including commercial banks, consulting and training firm, communication with local business associations, and provision of technical services.

The role of governments in the process should be limited to providing a suitable environment for the development of the private sector, governments do not have the finances or the ability to get directly involved in economic activities such as SME financing and provision of services . By

analyzing the experience of countries in the region and beyond, it is shown that the government is not suitable instrument to implement and coordinate such efforts, and that the public-private partnership for the development of SMEs, are a critical element to the success of these efforts.

5.3 New perspectives in the management of enterprise and human resources

Market globalization seeks a new approach in the management of human resources as a valuable asset to the success and long-term development of SMEs. Human resources for the weight and relevance viewed, as other sources organizations, Chirtoc (2010) human resources considers primary, as the planning and management of human resources is exceptionally important for the organization of economic activity. The process of globalization of the economy offers many opportunities for entrepreneurs, where gaining access to global markets is a profit and strategic instrument for the further development of SMEs but also the development and independence, human resources. Bontis (et. al., 1999), human resources defines as human capital, where the human factor in the organization presents as a combination of intelligence, skills and experience that give the organization its own special character. Access to global markets of SMEs can offer a multitude of opportunities, but opportunities will be open only to those businesses that have a clear vision and mission design. Entry into the regional and global levels, the management of SMEs requires a more fair share human resources as an important factor in the success of the enterprise, the implementation of new prospects as opportunities to exploit the technical advantages and technological advancement of knowledge, skills technological, cost reduction and division respectively defining. Cost sharing means sharing of costs as some public organizations that operate in our market, training and travel expenses official present as common. Huselid (1995), in his own thesis, "The Impact of human resource management practices", shows that the recruitment of human resources by selecting reliable and valid, will have a significant impact on the quality and skill lloin holding employees The youth also provide formal and informal training experiences, will affect employees in the development and performance. According to him, the best training will be reflected in the growth of labor productivity, then reduced accidents at work and in the end will maximizations profit which is the purpose or final goal of every employer. The Ulrich (1997), believes that one of the main roles of human resources is their action as a factor of change. He believes that human resources play a key in transforming and changing organizational culture. The changing nature of human resources work creates itself and seeks new challenges, requiring the addition of mental activities of expression in a request for new information, ideas, innovations, which are achieved through continuing education requirements and necessity of the new economy, which is achieved through knowledge, learning or continuous studies. For a clear exposition of a new perspective in the management of human resources is

taken as a case study IPKO-net organization. IPKO began to act in September 1999 offering services interesting, originally it was a humanitarian project called "Internet Project Kosovo project", where two years later she moved from non-governmental organizations, which was still a profitable organization of schools, and only offer Internet services and was tough competition "Dardanet" part of the public organization PTK that even though I could finance, and human resources failed in its penetration in the Kosovo market. ProCredit Bank loan insurance in the amount of 1.65 million euro IPKO extends the network to a large part of Kosovo, with the acquisition of the license plates as a company that provides sufficient fixed telephony services it created a duopoly in Kosovo market, making competition public company PTK respectively the Kosovo telecom, which until that time had a monopoly in the market. And in September 2007 carried the first calls in Kosovo, IPKO GSM network, it became the second operator licensed in the domestic market, whose clientele was growing as a result of constructive management. This organization from an organization no-government SME became a clear vision and mission, which after several years of operation in the internal market and encourage investment by telecoms Slovenia it was turned into a very powerful and very competitive with PTK public companies and the regional market.

Conclusions and recommendations

In the development and growth of SMEs affect many factors, but in our domestic market they are specific factors and that as a result of the condition that no changes in investment for more than two decades, according to research we come to the following conclusion:

- Jan macroeconomic policies of a country which affect the willingness and ability entrepreneurs to invest.
- Tax policies should apply to all without exception SME owner or activity.
- The central institutions to influencing in development market, through support businesses, the award of grants.
- Interest rates are quite high, security measures with the lowest rates bank interest, it will not succeed even if new banks licensed after that they are operate in the same way as competition.
- Support businesses through the provision of training for SMEs officials.
- Direct intervention to help small and medium businesses to carry with financial and non-financial support.
- Implementation of advanced models to support the management of SMEs.

Responsible for macroeconomic policy in implementation, is supposed to take seriously proposals for establishing Post Bank of Kosovo, this banks have even countries with powerful economies in the world, such as Deutsche Bank, etc. Through this bank would be secured loans with lower rates for potential investors would have a program, a vision and a clear mission. Opening of Post Bank would affect the interest rate reduction which is high and can be disastrous to say for many SMEs.

Also be added to attempt:

- To increasing the number of SMEs to enter the formal sector.
- To add even more attempt, to improve and facilitate the opening of businesses.
- Creation of a common market with the Republic of Albania, which would affect attracting investors and large companies, since as the two countries with a common market opportunity will be more of large considering the fact of creating a larger market in terms of customers, workforce and territorial expansion.
- Support through various forms of all businesses that have quality products and the same offer the international states such as the EU and the U.S.

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