MAPPING ENTREPRENEURSHIP ECOSYSTEM IN KOSOVO

[1]SARANDA LAJQI, [2]FLORIN PECI, [3]BESNIK A. KRASNIQI

[1]The Institute for Entrepreneurship and Small Business, Prishtina, Kosovo, [1]University of Tirana, Albania, [2]Faculty of Business Administration, University of Peja, Kosovo,
[3]Faculty of Economics, University of Prishtina, Kosovo
E-mail: [1]sarandalajqi@hotmail.com, [2]florin.peci@unhz.eu, [3]besnik.krasniqi@uni-pr.edu

Abstract - The aim of this study is to critically review the existing initiatives of start-up support services for entrepreneurship growth in Kosovo. In the light of an increasing government and donor activities to support start-ups in Kosovo, there is a need for evaluation of these policy interventions to guide future entrepreneurship policy. Building on the political economy of small firm intervention literature and using mapping method the study identifies and critically evaluates the technical, financial and other support services to start-ups. The study uses secondary resources to explore the initiatives and understand the entrepreneurship growth ecosystem. The findings suggest that although there is an increased trend of business support services the entrepreneurship ecosystem has not gone beyond the traditional policy measures and in many areas remains in its infancy phase of development. Challenges remain in the area of provision of alternative forms of financing, incubation space and services and moreover, in the area of support for growth-oriented startups. The study concludes by providing alternative and additional policy intervention tools.

Index Terms - Entrepreneurship, start-ups, Kosovo, political economy, Ecosystem, technical support, financing, incubators.

I. INTRODUCTION

The overall objective of this mapping exercise is to improve the efficiency of the government and donor assistance to start-ups. More specifically, the purpose of the assignment is to assess the current support packages available to start-ups in Kosovo, at various stages of business development, from the pre-incubation, incubation seed to expansion phase, barriers and the obstacles to their growth, identify potential needs such as infrastructure, services, and access to finance.
The assessment offers recommendations which would be the basis for designing a specific policy intervention tool with the aim of removing barriers and supporting the development of start-ups. This study has threefold specific objectives. Firstly, to analysis of technical and financial support available to start-ups in Kosovo from the government, non-governmental and international institutions/organisations. Secondly, assess and identifythe barriers and potential needs such as infrastructure, services, and access to finance viable for the development of start-ups[1]-[2]-[3]-[4]-[5]. Finally, provide the recommendations on the parameters of the envisaged EU assistance to start-ups to overcome the obstacles they face in their development, both efficiency and quality.

The paper is structured as follows. Section 2 reviews the literature in political economy of intervention to correct market failures in terms of small firms. The section 3 presents the methodology used in the study. Section 4 sets out the range of policy support used to support start-up by using a start-up mapping matrix. Section 5 sets out our conclusions and on the overall start-up environment and a set of policy recommendations for future interventions to support small firms.

II. LITERATURE REVIEW: RATIONALE OF INTERVENTION IN BUSINESS START-UP SUPPORT

Allocation theory posits that the market failure refers to the failure of price-market institutions in sustaining activities deemed desirable in the economy and it is basically a situation in which resources are not allocated to their highest valued use or maximum welfare potential [6]. Therefore, if markets work efficiently under the equilibrium, in the competitive markets therefore the allocation will be efficient and no market failures will exist. However, with imperfect information, financial gaps, compliance costs, resistance to change and uncertainty, very rarely does such a situation occur which requires the need for policy intervention[1]-[7] -[5]. To illustrate, for example, when private companies cannot or will not provide business support services because they cannot make a commercial return or profit, even where there is a demand or a need for a service is considered to be a market failure[8]. The result of a market failure is that the needs of certain start-ups or SMEs are either not met or are only partially met. Under these circumstances, [8] suggests that the rationale for the public provision of support services is that they will lead to employment and wealth creation that would not otherwise have occurred exactly because these services were not available. Two primary criteria for the provision of public support services, therefore, are that: (a) the service is not offered privately, even though there is a need, and; (b) the provision of the service will enable the business to develop, leading to the generation of new wealth and/or employment. The market failure associated with SMEs and especially for start-up finance is due to asymmetric information between a business and a lender [9]-[3]. The business knows more about its own characteristics and the

proposition which they are seeking finance for. This makes it difficult for the lender to price a loan accurately. To overcome adverse selection problems, lenders have typically used collateral as insurance against default on the loan. Banks and other institutions usually use collateral signals to lenders the borrower's commitment to the venture and their own assessment of the risk - low risk borrowers are more likely to put their own assets at risk. However, this leads to the situations that we have potentially good projects that can be profitable and sustainable, but they cannot have adequate access to funding for their ideas to be implemented in the start-up phase. However, if left to the market, start-ups will not be able to meet collateral requirements despite its potentially viable projects. As a result innovative and promising projects will disappear if there are no intervention programmes in place. There is a common opinion that policy intervention is justified under these circumstances. A good intervention in this case is to use policy mechanisms to alleviate the risk to the private sector caused by asymmetric information. Several policy initiatives has been designed throughout the world to make market more efficient for start-ups, such as the Start-up Loan Guarantee Scheme (SFLGS) which has been a long-standing government intervention to alleviate this market failure which are being used to promote start-up development. In terms of innovation the [10] report identifies four major market failures that may have a significant impact on the innovation process. Accordingly, if left to the market, projects that, from a private perspective, are unprofitable, but would generate large social benefits, may not be taken forward. Coordination or network failures—firms rarely innovate alone. However, problems may exist that have an adverse impact on the ability of companies to coordinate or at least interact, and so deliver innovation. A wide range of problems may arise, including difficulties in coordinating R&D and inadequate access by smaller firms to the innovation system. Finally, the EU suggests that imperfect and asymmetric information—this affects, in particular, financial markets. Due to information problems, SMEs engaged in high-tech innovative projects with good prospects may find it difficult to obtain funding. In the area of provision of training and skills development for start-ups, there is common agreement that start-ups are unable to pay for services from professional training or consultancy providers. Or even more, the SMEs and socially start-ups' demand for non-financial services such as training or consultancy may be low because they do not recognize that these services can raise their productivity and growth. In other words, because of a lack of information or because of the risk that these benefits will not occur [11, p.7]. As a result, small firms and especially start-ups tend to use fewer external sources of advice than larger firms, which in turn may limit growth potential of start-ups. There is evidence from both developing and developed countries, that well designed training can lead to modest increases in business start-ups but little robust evidence is available. [12]analyses the results of business training programme that the NGO TechnoServe ran in Nicaragua and El Salvador and found that the support in the formulation of a business plan is found to lead to a 4-9% higher probability of business start-ups for trainees who did not own a business before. [13] also find that firms, which borrow from government financial institutions, grow faster than firms, which borrow from private lenders, after the eighth year since loans are made. These findings together suggest that government programs have contributed to the long run growth of small firms that private lenders are reluctant to make loans to. However, finding the correct practical policies to address these theoretical market failures is not easy. Many governments initially established their own VC funds, but these have been largely abandoned as political influences distort investment decisions and government officials lacked the ability to assess and manage investment opportunities [14]. To conclude, there is need for intervention, however, different forms of support for start-ups should be cautiously chosen in order to correct for market failures. For example, when designing intervention, the particular attentions should be paid not to introduce incentives that encourage bad quality projects. The risk sharing by entrepreneurs is best solution to increase the risk involvement and seriousness of entrepreneurs on grant scheme support. The same applies for subsidizing consultancy and other form of direct support.

III. METHODOLOGY

The research methodology for conducting the assessment involved a combination of literature review such as reviewing existing documents (reports, articles, laws, strategic documents), best practices in Kosovo and other similar contexts, meetings and interviews with key stakeholders, and completing several data collection instruments (matrix of intervention programmes/projects) which were designed solely for this purpose. More specifically the methodology for conducting this study included analysis of the technical and financial support available in Kosovo (including government, non-governmental and international organizations, business support providers) based on the desk review of primary and secondary information, reports, studies and other available information about the current state of the start-up environment, including barriers/obstacles and best practices in start-up support. We conducted also stock taking and analysis of the start-up environment, barriers and potential needs (infrastructure, services, and access to finance) by identifying gaps and future interventions. Interviews and consultations with the representatives of the relevant institutions to identify current and planned initiatives of start-up support packages and measures. The relevant institutions include both governmental, donor–led

initiatives/projects, NGOs, and private initiatives such as: Central and local government, such asMinistry of Innovation and Entrepreneurship, Kosovo Investment and Enterprise Support Agency/MTI, Kosovo Credit Guarantee Fund (KCGF) and selected municipalities, business associations and chambers of commerce as well as business support providers, banks, MFI', and finally selected current and potential beneficiaries of start-up projects implemented in Kosovo;

IV. MAPPING THE FINANCIAL AND TECHNICAL ASSISTANCE TO START-UPS

This mapping exercise includes mapping and verification of all the actors such as existing institutions/supporters offered to start-ups, both technical and financial. The first step in developing a start-up ecosystem from the public or a donor intervention perspective is to identify its private-public stakeholders, its instruments and existing facilities. For this purpose, we designed a start-up matrix which contains all relevant information about the key stakeholders and the range of services being offered for start-ups. Secondly, after mapping of existing technical and financial support in matrix we can explore if there is an overlapping of any initiatives/projects or instruments, or whether there is a lack of best practices or instruments that have been used successfully in developed and other countries in region that are useful to draw lessons for addressing similar problems of start-up ecosystem with Kosovo. The first column in the Table 1 reports institutions/organisations/agencies/donors, second reports ranges of technical assistance services and third column reports all financial instruments to support start-ups. The matrix of start-up support shows that there is a large number of intervention programmes and projects to support start-ups in Kosovo. Numerous government and NGOs, donor agencies, projects and profit organisations are actively involved in supporting start-ups in Kosovo. In particular, Kosovo has benefited largely from international donor activity to support start-ups. The ecosystem in Kosovo offers many initiatives for start-ups' support, but they are fragmented and the majority does not seem to work together.

As such, they cannot utilize potential complementarities between projects and even more benefit from a more integrated system of support. During the field interviews with stakeholders one could note that these instruments and activities could learn from each other, but appear to be working separately. An emerging trend noted in terms of technical assistance is heavily skewed towards business skills trainings for start-ups and various forms of consulting and mentoring. On the financial support, there is frequent use of traditional forms of start-up financing, while the more modern types of financing such as crowdfunding is missing. What follows, each type of instrument will be discussed.

4.1. Financial assistance

Entrepreneurial finance is rapidly evolving all over the world. Entrepreneurs are combining traditional debt and equity start-up finance (e.g., friends, family, angel investors, venture capitalists, and occasionally banks) with alternative ways of financing [15]. Kosovo in its initial stage of development still has not fully exploited the benefits of all traditional start-up finance. Finance start-up support has been limited in mainly in provision of grants, equipment and machinery, co-financing grants, and to a lesser extent by angel investors and equity financing and venture capitalist funds are non-existent [1].

On the other hand, the start-ups face difficulties in accessing finance for new innovative projects [16]-[17]-[18]-[19]-[20] Consequently, there is a necessity to find creative solutions to fill this gap connected to access to finance for start-ups and SMEs, for which the access to traditional banking system has been almost impossible. Therefore, it very crucial to have concentrated efforts of all stakeholders, including but not limited to all government institutions and agencies, business community, international donors to explore the possibility in finding alternative financing instruments for start-ups. Such alternative finance schemes that proved to be successful in other contexts and could become more sustainable in the long run (Crowdfunding platforms, angel investors, venture capitalist etc.) could become potential for start-up funding in Kosovo. Our research shows that grants have been heavily used mechanisms used to address the finance gap for start-ups. Usually, grant schemes take a form of matching grant scheme and competitive grant scheme combined with some sort of business plan competitions. The programmes/projects aimed to attracts talented people with impactful business ideas. Some of grants used co-financing by local entrepreneurs to involve entrepreneur in sharing risk for the projects while some of them where directly used for full coverage to provide equity-free seed capital. Findings from field interviews with stakeholders suggest that any grant scheme should be based on some type of co-investment in order to have some risk involvement by entrepreneurs. There is a concern by stakeholders, that using grants without co-financing by entrepreneur my distort incentives by increasing the pool of low quality applicants and making screening process more complicated. The example of our mapping exercise shows that in several programmes presented in this report participants, were exposed to organized and open competition and then are connected to trainers and mentors to facilitate start-up creation and growth. Some of these projects (e.g. UNDP, GIZ and others in Kosovo) have used start-up programmes to support socially-excluded groups and diaspora returnees to enter self-employment career [21]-[22]. Also example of connecting grants schemes with support through skills training and mentoring. The majority of stakeholders have agreed that technical assistance should be

combined with financial support for start-ups in order to succeed. Loans. Loans are the primary funding instrument for SMEs, with the vast majority of the loan volume coming from local banks. Shorter-term working capital loans are the most popular, while investment loans are viewed as less in demand due to uncertain political and economic conditions. Although, lending activity, especially for SME loans, has grown during the recent past in Kosovo, especially during 2015 [23] the start-up finance by local banks is not present. The situation with female entrepreneurs is even worse. Kosovo banks lack gender disaggregated data, but estimate that women-led SMEs represent only 0.5 – 5% of their loan portfolios.Business Angels. Angel investors are typically the equity investors in start-up companies in the early stage. Angel investors are usually wealthy individuals that band together in investor networks seeking to find entrepreneurial opportunities.The investments by business angels can fill the gap between venture capital and debt finance, especially for start-ups.

Until a few years ago, angel investors in Kosovo, were virtually non-existent. Although, the angel investors' network is growing in Kosovo, it is still in its infant stage of development. Today there only few business angels' networks such as Kosovo Business Angel Network-KOSBAN, MDA foundation, gjirafa.com and some individual angel investors.There is no clear evidence of the results produced by the Kosovo Business Angels' Network.

Table 1: : Matrix of technical, finance, and infrastructure support to start-ups in Kosovo

Institutions/organisations/agencies/donors	Technical assistance						Financing						
	Entrepreneurial skills for start-ups	Mentors, advisors, consultants and coaching	Networking and Matchmaking (B2B, trade fairs, events)	Incubators, Hubs, Innovation labs, co-working spaces and related services	Fostering linkages between the actors in the start-up ecosystem	Regulatory Framework/Infrastructure /Capacity Building for policy	Grants	Loans	Loan guarantees	Business angels	Equity and Venture capitalists and scale-ups	Crowd funding	Accelerators
KOSME (Swiss & ADA) KOSOVO SME PROMOTION PROGRAMME (KOSME)	√		√		√	√							
EBRD	√	√	√						√				
Innovation Centre Kosovo (ICK)	√	√	√	√	√		√			√			
Jakova Innovation Center - JIC	√	√	√	√			√						√
Centre for Entrepreneurship and Executive Development (CEED) / SEAF, USAID, FMO	√	√	√	√			√						√
Business Support Centre Kosovo (BSCK)	√	√	√		√	√	√	√					
STIKK	√	√	√	√	√	√							√
Management Development Associate (MDA) foundation	√	√	√	√						√			
D&D Business Support Centre	√	√	√			√							
VentureUP/University of Prishtina	√	√	√	√									
Gjirafa.com	√	√	√	√			√			√	√		√
COSME	√	√	√		√	√	√	√	√	√	√	√	√
Kosovo Chamber of Commerce		√	√		√	√							
Business Alliance of Kosovo (BAC)		√	√		√	√							

Some of initiatives of business angel networks struggled with their work and are no longer in operations (e.g. EYE initiative).Notwithstanding, business angels can become promising way of financing of start-ups in Kosovo. The government of Kosovo and support of donors has an important role to play. For instance, the government could help develop an internet platform to provide information on a list of angel investors in Kosovo or interested in investing in projects from the country. They also could support open calls for business ideas, pitching events, B2B which then could easier link to the business angel's network in Kosovo and the region. Kosovo can learn from the example of the UK's government supporting BANs and national campaigns highlighting the role and importance of business angels. In addition,

various forms of fiscal and non-fiscal incentives can be used to trigger investments in start-ups as in UK. Finetch/crowdfunding. Crowdfunding draws inspiration from concepts like microfinance [24]-[25] but it represents a unique category of fundraising, with different vehicles, processes, and goals. [26]. Crowdfunding estimated to be a growing $5 billion global industry, is the practice of funding a project or venture by raising small amounts of money from a large number of individuals, typically via the Internet, using an intermediary known as a platform [27]. The crowdfunding emerged as a way of allowing individual investors an opportunity to pool relatively small amounts of money together in order to meet the funding requirements of new or expanding ventures. In Kosovo, there very few, (we managed to find only Prishtina Hackerspace is a co-working open experimentation space in Pristina) which is established exclusively for technological, educational, cultural and scientific purposes. The organization uses the crowdfunding platform. As of January 2017 they have 231 backers who pledged $16,994 to help bring this project to life. As such there is an emerging need to use this alternative form of financing to more traditional type of funding and Kosovo could draw on successful examples of other countries. There is some precondition for developing crowdfunding platforms such as large Kosovan diaspora community and high ICT potential in Kosovo.

4.2. Technical assistance

Mapping analysis shows that amajority of organisations and donor funded programs/projects offer some type of technical assistance. Technical assistance ranges from simple business plan training to mentoring, coaching, B2B events, networking, and matchmaking (Table 1).

One important issue emerging from the mapping and the interviews with organisations and other relevant stakeholders offering business support services is that the support, in most of the cases is donor driven, posing a concern about the future sustainability of start-up support programs. There also some local initiatives based on solely government funding, but to a limited extend. For example, Ministry of Culture, Youth and Sports, annually runs the entrepreneurship training program throughout Kosovo. Municipality of Gjakova also established a grant scheme for local start-ups and SMEs. All BDOs (both NGO and private companies) who deal with start-ups have pointed out the challenge working with start-ups. As suggested by other examples in the literature, supply side support of business support services there is tendency that they are gradually moving towards the well-established and financially good performing of start-ups that are able to pay market prices for these services. The ongoing concern remains is that without donor or government funding only a few start-ups will be able to use the external advice and business support services.

The numerous intervention programs and process has helped in developing markets for BDS in Kosovo. In particular using the cost –sharing schemes have produced results in educating clients and start-ups to pay services [28]. The firms and start-ups under these schemes are more willing to pay market prices for BDS.) Some consulting services and training support are under-demanded because start-ups also may fail to appreciate their "true" benefits, and therefore the temporarily subsidizing services may encourage firms to try them, producing a "demonstration effect" that increases demand [11]. Supply side development is also possible by temporarily subsidizing BDS providers may cause them to search for better products and delivery mechanisms, resulting in a lower cost of service provision, specifically designed for start-ups. However, the newcomer start-ups, yet needs ongoing support at their initial phase because of restricted access to or high cost of finance, which hence may have an impact also in using the consultancy, training and other business support services. As illustrated by an interview with CEO of an organization dealing with start-up support suggest that the there is a need for support start-up by helping them better understand their business needs. Few hours of first constancy are used to help them understand what they need. This suggests that start-ups support is needed to help them increase their demand for consultancy services in the future. Helping start-ups raise awareness of the benefits of business development services and increase trust in service providers is another issue for consideration when designing support packages for start-ups.

CONCLUSIONS AND POLICY PROPOSALS

Although increasing, programmes/projects funded by domestic funds remain limited. Most of these projects are funded by donors. Some best practices have been translated in annual projects funded by Government of Kosovo (e.g. Entrepreneurship Skill Training Program funded by Ministry of Culture, Youth and Sports, Voucher Scheme/KIESA) Our findings show that there is a need for larger infusions of investment capital to modernize outdated plants and equipment. Current financing instrument usually have been limited to less than 10,000 euros for start-up support. There is a need to move the policy support of start-ups into next level by designing instruments to support early stage growth of start-ups. Also, there is a lack of understanding of the benefits of borrowing among SMEs. There is a need to design new instruments for post-start-up phase of development. Donors should encourage alternative forms of financing. Currently the majority of local start-ups and SMEs are unaware about crowdfunding. Consequently, the donor intervention would promote these tools. There is a need to promote the development of a business angel culture by supporting the creation of business angel networks, help set up a national association of business angels and sponsor roadshows to popularize the idea among the start-ups as well as existing businesses which are expected to act

as angel investors. The already existing community of business angels network, although very limited could form a base for future development. Develop a Single Point of Contact/office or online portal for start-ups to get advice on public instruments and funds. Explore the possibility of also involving private initiatives. The Kosovo could draw from EU best practice such as Start-up Europe [29]. This portal would integrate all activities of donors, government, NGOs and other stakeholders. Start-ups will have a platform that could enable start-ups easier access information, at the same time this would make any call for start-up support more competitive contribution to more effective intervention programs. Networks and capacity building to create opportunities for entrepreneurs, private sector investors, and the donor community—through events (the annual forums, events for entrepreneurs and start-ups), through business plan competitions and start-up fairs, and through social networks. It also supports capacity-building initiatives that are targeted to policy makers, incubation managers, and trainers. An investment and growth criteria to incentivize start-ups to achieve long term growth and achieve their full potential for employment and income generation and hence contribute to the economy. These incentives are rarely applied. It is recommended that there is a need for scaling incentives based on some growth or investment criterion. There is a need to design specific programs that could foster cooperation of large scale firms with start-ups. Experiences of the Co-Creation Lab Vienna [see, 30] are useful thoughts how one could design a program to support linkages between large firms and start-ups at mutual benefits Education system to promote key competency – creativity and innovation. There is no single body or council within MEST or MTI that would be responsible to review curricula, teaching material, innovation labs in schools, entrepreneurial career advice, and educations performance in terms of entrepreneurial learning. There is no Entrepreneurial Learning Strategy which is required by the Small Business Act, and consequently, there is no action plan adopted. Promotion of entrepreneurship as a key competency in primary, secondary and tertiary education is a critical step to increase entrepreneurial culture among youth, which in turn in the long-run will increase the potential supply of innovative business ideas. A market-oriented education and entrepreneurship skills training to support and meet the needs of a growing and increasingly more competitive private sector is a precondition for SME development [31].Further action may include the introduce entrepreneurship and other specific subjects such as creativity, digital skills— into the curriculum in primary and secondary education. This will promote entrepreneurial culture and potentially will increase the pool of viable business ideas in the long run. Creativity labs and similar hubs could be a good example of boosting creativity and promoting entrepreneurship culture nation-wise. Promotion of networks between e.g. co-working spaces, fab-labs, start-up and IT hubs and other lab formats, and b) Promotion of embedded IT innovations in traditional sectors like e.g. agriculture, c) Promotion of Innovation Think Labs with lateral thinkers from different disciplines. Support innovation through support for IT sector as key enabling and supporting technology for all industrial sectors for start-ups. Strengthen creative thinking an entrepreneurial mindset at universities. The VentureUp is promising initiative that could be expanded in other higher educational institutions. In line with Hallberg [11] Kosovo could learn from the experiences of other countries. The lessons of recent experience show that facilitating the provision of services by private providers and stimulating the demand for them by small enterprise clients is an effective way to raise the coverage, quality, and sustainability of services. The shift toward market provision of BDS reflects a move toward a "systems approach" analogous to the microfinance revolution. As with MFIs, it leads to emphasis on being business like and demand-led at the institutional level. It directs government and donor intervention toward facilitating transactions between small enterprises "clients" (as opposed to "beneficiaries") and BDS providers seeking to develop profitable market niches [32]. Supply-side interventions to promote BDS market development can be used to extend and replicate models of financially sustainable, cost-effective services. Demand-side interventions, such as matching grants and vouchers, may be justified on a temporary basis if markets are under-developed in Kosovo because start-ups lack knowledge (or perceive high risks) of the benefits of BDS. Nevertheless, the success of demand-side subsidies should be judged by whether they develop rather than distort markets. In the area of finance, there is a need for alternative financial instruments for the supporting start-up creation and growth. There is an emergent need to design support programs for start-ups operating in a promising sector based on Kosovo's competitive advantage. Due to relatively low start-up capital required to scale their business and thanks to the universality of their services, start-ups in the IT sector, for instance, are often seeking clients abroad from a very early stage of their operations and find them as their main source of growth.

At the policy level, therefore, it is suggested to provide tailored support based on the specific business needs of the company. The ICT sector could be linked to modern forms of financing based on online platforms such as crowdfunding.

REFERENCES

[1] Krasniqi, B. A. (2010). Are small firms really credit constrained? Empirical evidence from Kosova. International Entrepreneurship and Management Journal, 6(4), 459-479.

[2] Krasniqi, B. A. 2012. Entrepreneurship and small business development in Kosova. Nova Science Publishers.

[3] Krasniqi, B. A. (2014). Characteristics of self-employment: A refuge from unemployment or road to entrepreneurship. Small Enterprise Research, 21(1), 33-53.
[4] Peci, F. (2015). What determines the allowance of bank loans for investment–an overview of Kosovo SMEs. International Journal of Innovation and Economic Development, 1(1), 27-35.
[5] Williams, C. C., & Krasniqi, B. (2018). Explaining informal sector entrepreneurship in Kosovo: An institutionalist perspective. Journal of Developmental Entrepreneurship, 23(02), 1850011.
[6] Bator, F. M. 1958. 'The anatomy of market failure.' The Quarterly Journal of Economics, 72:3, 351-79.
[7] Mustafa, M., & Krasniqi, B. A. (2018). Entrepreneurship in Kosovo. In Entrepreneurship in Former Yugoslavia (pp. 51-65). Springer, Cham.
[8] EU (2002). 'A Study of Business Support Services and Market Failure.' Brussels: European Commission.
[9] Krasniqi, B. A. (2007). 'Barriers to entrepreneurship and SME growth in transition: the case of Kosova.' Journal of Developmental Entrepreneurship, 12:01, 71-94.
[10] Oxera (2005). 'Innovation market failures and state aid: developing criteria '. Brussels: European Commission.
[11] Hallberg, K. (2000). A market-oriented strategy for small and medium scale enterprises. World Bank Publications.
[12] Klinger, B. & Schündeln, M. (2011). 'Can entrepreneurial activity be taught? Quasi-experimental evidence from Central America.' World Development, 39:9, 1592-610.
[13] Fukanuma, H., Nemoto, T. & Watanabe, W. (2006). 'Do governmental financial institutions help startups grow? Evidence from Japan.' Keio University Working Paper, November.
[14] Nightingale, P., Baden-Fuller, G., Cowling, M., Siepel, J., Hopkins, J., Tidd, J. & Dannreuther, C. (2009). 'Government Support for Enterprenurial Finance in the UK: From "Market Failures" to "Thin Markets".' University of Exeter, 29.
[15] Bruton, G., Khavul, S., Siegel, D. & Wright, M. (2015). 'New financial alternatives in seeding entrepreneurship: Microfinance, crowdfunding, and peer-to-peer innovations.' Entrepreneurship Theory and Practice, 39:1, 9-26.
[16] Krasniqi, B. (2006). Size, age and firm growth: econometric evidence from SME sector in Kosova. International Journal of management and Entrepreneurship, 2(1), 57-68.
[17] Krasniqi, B. A., & Kutllovci, E. A. (2008). Determinants of innovation: evidence from Czech Republic, Poland and Hungary. International Journal of Technoentrepreneurship, 1(4), 378-404.
[18] Hashi, I., & Krasniqi, B. A. (2011). Entrepreneurship and SME growth: evidence from advanced and laggard transition economies. International Journal of Entrepreneurial Behavior & Research, 17(5), 456-487.
[19] Lajqi, S. & Krasniqi, B. A. (2017). 'Entrepreneurial growth aspirations in challenging environment: The role of institutional quality, human and social capital.' Strategic Change, 26:4, 385-401.
[20] Krasniqi, B., & Peci, F. (2017). The Determinants of Technological Innovation: The Role of Anti-Competitive Behaviour and Access to Finance. Journal of Economic & Management Perspectives, 11(2), 309-316.
[21] Krasniqi, B. A., & Williams, N. (2018). Migration and intention to return: entrepreneurial intentions of the diaspora in post-conflict economies. Post-Communist Economies, 1-20.
[22] Williams, N., & Krasniqi, B. A. (2018). Coming out of conflict: How migrant entrepreneurs utilise human and social capital. Journal of International Entrepreneurship, 16(2), 301-323.
[23] CBK (2017), Financial Stability Report, Prishtina: Central Bank of Kosovo.
[24] Poetz, M. K. & Schreier, M. 2012. 'The value of crowdsourcing: can users really compete with professionals in generating new product ideas?' Journal of Product Innovation Management, 29:2, 245-56.
[25] Morduch, J. 1999. 'The microfinance promise.' Journal of economic literature, 37:4, 1569-614.
[26] Mundial, B. 2013. 'Crowdfunding's Potential for the Developing World.' Washington DC: infodev. org.
[27] Balkan Economic Forum (2017), Private Sector Investment in the Balkans, (accessed on 10 Janaury 2019 at http://www.balkaneconomicforum.org/wp/private-sector-investment-in-the-balkans/).
[28] OECD 2017. Strengthening SME capabilities through a sustainable market for business development services in Belarus. Paris: OECD
[29] EU (2017), Specific Support to Slovakia Boosting the Slovak start-upecosystem, Horizon 2020 Policy Support Facility, Directorate-General for Research and Innovation, Brussels: European Commission, 2017.
[30] EFRE (2017), Co -creation Lab Vienna, (accessed on 10 October 2018 at https://viennabusinessagency.at/fileadmin/user_upload/Technologie/CCLV_2017/CCLV_Hintergrundpapier_final_komp.pdf).
[31] Krasniqi, B. A. & Mustafa, M. 2016. 'Small firm growth in a post-conflict environment: the role of human capital, institutional quality, and managerial capacities.' International Entrepreneurship and Management Journal, 12:4, 1165-207.
[32] Hagnauer, J. R. 1999. 'Delivering Business Development Services to SMEs on a Sustainable Basis: Can it be Done?' Draft Note, Small Enterprise Development Unit (PSDSE), World Bank, Washington, DC.

★★★