

Agricultural University Plovdiv  
FACULTY OF ECONOMICS

**ADELINA GASHI GAFUR**

**INVESTMENT POLICY OF THE WORLD BANK FOR DEVELOPMENT OF THE  
AGRICULTURAL SECTOR IN KOSOVO**

**Author's summery**

of dissertation for awarding the educational and scientific degree "doctor" in the  
scientific field  
"Organization and Management"

Plovdiv, 2019

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Tutor: Assoc. Prof. Violeta Dirimanova

reviewers:

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PhD thesis consists of 210 pages. It uses 4 figures 95 tables, 29 graphs.  
In the thesis are cited 237 literary source.

The dissertation work is discussed and aimed to protect the extended meeting of the department "Management and Marketing" at the Economic Faculty of Agricultural University c. Plovdiv

Disertantat is a PhD student in the same department.

The defense of the dissertation will be held on ..... 2019 by .....  
hour ..... Hall of Agricultural University - Plovdiv.

# **I. General characteristics of the thesis**

## **1. Relevance and reasons for choosing the topic**

In a market economy and prepare for pre-accession to EU conditions, the Republic of Kosovo in recent years significantly transform its agricultural sector. This economic sector is defined as strategically important for the development of Kosovo gave the following factors: the products that are produced by this sector are part of the State Food and play a leading role in feeding the population; sector provides a livelihood for about 30% of the population and is the only means of livelihood in rural areas of the country; sector has a direct impact on the environment and directly vlieya by natural factors. These factors determine the specific features of the sector, which must comply with government regulation of investment policy in the sector. Osvnovniya investor through the government in the agricultural sector of Kosovo is the World Bank over the last 10 years given credit resources for development of this sector. Through the financial support of this banking institution, the agricultural sector is able to build infrastructure suitable for competitive development of farms. Analysis to the investment support of the World Bank in a pre ikonmikata of the Republic of Kosovo to EU requirements is a topical issue and enables the researcher to reveal interesting facts in the investment process of this small country. Through the financial support of this banking institution, the agricultural sector is able to build infrastructure suitable for competitive development of farms. Analysis to the investment support of the World Bank in a pre ikonmikata of the Republic of Kosovo to EU requirements is a topical issue and enables the researcher to reveal interesting facts in the investment process of this small country. Through the financial support of this banking institution, the agricultural sector is able to build infrastructure suitable for competitive development of farms. Analysis to the investment support of the World Bank in a pre ikonmikata of the Republic of Kosovo to EU requirements is a topical issue and enables the researcher to reveal interesting facts in the investment process of this small country.

## **2. Conceptual thesis dissertation**

In this dissertation study argues that the investment support of the World Bank is a key factor for the development of the investment environment of rural stopanastvo in the Republic of Kosovo.

## **3. Purpose and objectives of research**

The purpose of this dissertation is to determine the role and influence of the World Bank for the development of agriculture in the Republic of Kosovo.

The main aim of the dissertation research is decomposed to the following targets:

- Measurement of investment support of the WB and vlyanie on the development of the sector;
- Role of the World Bank to create jobs in agriculture and creating economic growth;
- Tools for funding from the World Bank for economic growth in agriculture;
- Benefits for farmers and agribusiness of support received by the SB.

**4. Tasks of the study.** In order to achieve the main goal and objectives are the following tasks:

1. Clarifying the role and impact of investments in the determinants konkurentospobonostta the agricultural sector;
2. Identifying mechanisms for investment support of the World Bank;
3. A conceptual framework for assessing the impact of the World Bank (WB) for the development of agriculture;
4. Analysis and evaluation of the impact of the World Bank for the development of agriculture;
5. Identify approaches and strategies for investment to develop agriculture;
6. Formulating recommendations to improve the investment environment for development of agriculture.

#### 4. Object and subject of the dissertation research

Subject of research is the investment support of the World Bank for the development of agriculture in the Republic of Kosovo.

The object of the research is the agriculture of the Republic of Kosovo.

#### 5. Approaches to the study

In this study, deductive approach is seen as essential in analyzing and assessing the impact of investment support of the World Bank in the development of agriculture in Kosovo.

To demonstrate the conceptual theory during the study using the following methods: a systematic analysis; comparative analysis; graphical analysis; statistical methods - Descriptive statistics and linear regression method.

When processing empirical information is used specialized software and SPSS statistical package of MS Excel.

## 6. **Basic literature and information sources**

PhD thesis has been developed using: 126 number of scientific publications and writings of authors; newsletters of international organizations - World Bank, International Monetary Fund, African Development Bank, Asian Development Bank, EUROSTAT and FAOSTAT; reports and newsletters of the Ministry of Finance and Economy of the Republic of Kosovo And a number of regulations and decisions of the Council of Ministers of the Republic of Kosovo.

Empirical data for the study was provided by sample surveys and in-depth interviews conducted at farm level in drawn by the author questionnaires.

## 7. **Volume and structure of the thesis**

PhD thesis is exposed in the introduction, four chapters and a conclusion, located at 209 pages, references and applications. The study is illustrated in Figures 29 and 95 tables.

## 8. **Contents of the thesis**

### *Vadedenie*

### ***Chapter One. Role of investment for development of agriculture***

Economy - theoretical delegates' sets the problem

#### 1. Investment Theory

##### 1.1. Investments and size of the farm

##### 1.2. Investments and income from farming

##### 1.3. Investment and productivity

##### 1.4. Investment and chain of values in agriculture

##### 1.5. Investment and market presence

##### 1.6 Investment in agriculture as a factor for job creation.

#### 2. Role of the investment support of the World Bank for Agricultural Development

##### 2.1. Investment support of the World Bank for economic development and combating poverty

##### 2.2. Investment support of the World Bank - approaches and components

###### 2.2.1. feeding

###### 2.2.2. Nod smart agriculture

###### 2.2.3. Creation of jobs in the food chain

###### 2.2.4. Agribusiness and chain of values

###### 2.2.5. Livestock and sustainability

### ***Chapter Two. Methodology, and methods used to analyze***

#### 1. Introduction to methodology

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- 1.1. Analytical methods and tools
- 1.2. empirical methods
- 1.3. Approaches to sampling survey
- 1.4. Developing poll
2. Approach to process empirical data and interpretation of data
3. Definition of dependents used in the model
4. Linear regression
5. Verification of model reliability
6. Define statistical hypotheses verification

***Chapter Three. Identifying investment parameters in the model***

1. Quantification of farms
2. Quantification of the sector
3. Interpretation of results from the survey of farms and the industry as a whole
4. Checking the accuracy of the hypotheses
5. Analysis "case-study"
- 5.1. Case-study 1. warehouse storage of fruits - DONA
- 5.2. Case-study 2. MOEA Frutomania LLC
- 5.3. Case-study 3. ASC FOODS

***Chapter Four. Analysis of the role of the World Bank as one of the leading investors in selskosotpanskiya sector of the Republic of Kosovo***

1. Current economic situation in Kosovo and the region
2. Role of agriculture in the overall performance of the economy of the Republic of Kosovo
3. Analysis of key indicators for agriculture development
4. Contribution of agriculture to GDP
5. Contribution of agriculture to employment
6. Contribution of agriculture stopnastvo to fight poverty
7. Role of agriculture in land use
8. The role of agriculture in economic accounts and input prices
9. Membership of the Republic of Kosovo is the World Bank
10. Investment projects of the World Bank in Kosovo

***conclusions***

***Recommendations and conclusion***

***literature***

## **II. Gist of the thesis**

### **introduction**

Thesis aims to explore, identify and analyze events describing the role and importance of the World Bank in the development of agriculture in the Republic of Kosovo. In this part of labor introduces a economic sector integration of the Republic of Kosovo, the historic moments to the investment policy of the government and international institutions, which are the major

investors in agriculture in the state. Identification of the role of the World Bank in the development of agriculture in both minalato and at present. Dissertation work's author outlines the main agrumenti in favor of choosing the topic of dissertation research. By choosing this theme, the author seeks to outline osvnite results that have been achieved in the agriculture of the country under review. results which are presented as consequences of programs and projects of the World Bank in the sector. Identified areas where intervention has had success at the World Bank.

Initial analysis begins with an overview of the history and role of the World Bank in the global economy, and passes by outlining efforts and obstacles that the Republic of Kosovo in meeting its economic development over the years. It has a focus on the commitments of the governments of Kosovo and the role of their agreements with financial institutions like the World Bank focusing on their role in the economic development of the agricultural sector.

Since this study aims to measure the importance and impact of investments of the World Bank in the development of agriculture. This study highlights different approaches to investment support from the World Bank to increase incomes, productivity, employment and value chain in the agricultural sector.

### ***Chapter One. Role of investment for development of agriculture***

Economy - theoretical delegates' sets the problem

In this chapter of the thesis was conducted a critical review of theoretical views on the nature of the investment theory by giving links to other theories of management and development ikonomicheksoto development sectors, regions and countries. Made a critical analysis of the scientific debate on this issue. Examine the relationship between investment and dohda, investment and productivity in the sector, investment and ways of forming a chain of values, investment and market presence of the agricultural sector, investment in agriculture employment.

#### **1. Investment Theory**

There is no doubt that the development of agriculture depends on investment in this sector. The investments are a central issue in macroeconomic theory; it plays an important role in the economic growth of the country as it increases the productive capacity of the economy and promote technological progress by incorporating new techniques (Dornbusch, Rüdiger, Stanley Fisher and Richard Startts). It is therefore very important to take into account the investment determinants. Another honor of the researchers of the problem (Smith, Ricardo, Say, Marshall and others) argue that free markets are the best way for prosperity and national economic growth and no need for state intervention to activate and regulate the economy. (Keynes, 1936), on the other hand, believes there is a need government intervention to activate and regulate the behavior of society for salvation crisis and investment are a necessary tool for this. The theory of investment dates back to Keynes (1936), which initially



supported the idea of independent investment function in the economy. The main feature of Keynesian analysis is the observation that savings and investment must be identical (equal), but there is no reason to preliminary savings to be equal to the preliminary investment. Era Keynes there are some hypotheses on macroeconomic variables that play a crucial role in explaining investment behavior. Keynesians prefer traditional theory of acceleration (effect of akselaratsiya) investments, ignoring the role of factor costs. (Jorgenson, 1971) and others have formulated neoclassical approach, which is a version of the flexible model of Keynes investitsitie as an accelerator of economic development. In this approach desired or optimal capital is proportional to production and price to the consumer of capital (which depends on the price of capital goods, real interest rates, depreciation rates and tax structure).

In theory "Q" Tobin, who is also a neoclassical theory, defend the hypothesis that the ratio of the current market value of equity to its replacement cost (coefficient Q) is the main driving force for investment (Tobin, J., 1965). Another method called "neoliberal" "proposed by (McKinnon, Ronald I., 1973) and (Shaw, Edward S, 1973), emphasizes the importance of financial intervention and higher interest rates to stimulate growth. In this regard, the investment is positive related to the real interest rate in contrast to neoclassical theory. The reason for this is that the increase in interest rates leads to an increase in the value of financial savings through the participation of financial intermediaries and thus increase the investment funds, a phenomenon that Makinan called "ka Alain effect. "

Classical theories of capital and capital accumulation can not answer the question of "insufficient investment demand." It seems that appeared much confusion in efforts to boost investment demand for capital employment in manufacturing (Haavelmo, 1960).

The modern theory of investment, defined by Lord Keynes's "General Theory", triumphed in the last twelve years, but still has a number of disadvantages. In particular, it can tell us a little about "investing" in a world in which the absence of some capital resources coexist with plenty of others. In the closest inspection investment theory contains micro-element theory of investment decision and macroeconomic element that is illustrated in the multiplier.

The first, modeled on the theory of the firm and analogy-making production solutions, explains how individual investors reach their investment decisions. Recent studies of relationships between aggregate investment and other aggregates such as consumption, income and employment, the relationship between the two elements is provided by simple addition (Lachmann, LM, 1984). Investment theory has developed in different and sometimes complex ways of paradigms that embody an entirely different world view. This diversity of approaches breeds a variety of features that seek to encapsulate forces after

the investment decisions of entrepreneurs (Romilly, Colin Richardson and Peter, 2008).

In order to explain the above anomaly group of researchers of the problem, presented a theory of uncertainty on investment, based on the idea of irreversible role of investment (R. Pindyck, 1991). This theory shifted the analytical focus to implicit regulatory costs for purchase and installation of capital, stressing the irreversible nature of the project for fixed investment (Pindyck D. a., 1994).

The argument is that when capital goods are often specific to the company and have a low resale value, withdrawing the investment is more expensive than positive investment. According to this theory, the unit value shall not exceed the cost of purchase and installation by an amount equal to the value of the investment holding of living investment. Conventional theories of investment focus on variations in capital costs.

These theories gave a useful insight for the decision to invest, but failed to fully consider the three key features of investment decisions (Avinash Dixit and Robert Pindyck, 1994). (Goldberg, 1993) finds no effect of exchange rate uncertainties on levels of investment in American industry. Some crossover studies studied the effect of uncertainty on investment.

(Hausmann, Ricardo and Michael Gavin, 1995) reported a negative relationship between the index of macro instability and the ratio of the total investment / GDP using a large sample of developing countries. In contrast (Bleany, 1996) found that measures volatility negatively affect economic performance in developing countries, but not the total investment. A similar result is obtained from the shoulders (Gary and Valerie A. Ramesh Ramesh, 1995), which also use the aggregate data to investment. (Joshua Eisenman, Nancy P. Marion, 1996) reported negative interstate relationship between various indicators of economic instability and private investment. Various forms of insecurity arise under different circumstances.

For example, the uncertainty regarding the uncertainty of the investment (see (Bernanke, 1983), (Robert Pindyck, 1991,)), (Caballero, 1994), (Dixit, 1992), (Goldberg, 1993), (Dixit and Pindyck, 1994)) , (Chirinko, 1996), (Abel and Eberly, 1999), uncertainty associated with the instability (see (Rodrik, 1991), (Kormendi and Meguire, 1985), (Bleaney, 1996), (Beaudry et al, 2001) and (Serven, 2003), (Krishna et al, 2003) uncertainty and connecting commercial investment (Asterio and Price, 2005), uncertainty, investment and economic growth and ultimately uncertainty arising from socio-political instability (see (Alesina and Perotti, 1996) and (Campos and Nugent, 2003)).

## **2. Role of the investment support of the World Bank for Agricultural Development**

The World Bank was established in 1944 in accordance with decisions

of the International Monetary Conference in Bretton Woods, USA. It is considered a specialized institution of the United Nations and is owned by 187 member states. World Bank actually is not a bank, a body which consists of two separate institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Agency (InternacionalDevelopment Association-IDA), (Leci, 2011).

These institutions globally have specific targets for investments in different countries and regions worldwide. This is the first attempt by those financial institutions that have the financial and banking dimension internationally to influence the economic development of the individual geographical regions of the world (Khalili, 2012).

Great Depression of the 30s, aggravated by restrictions on competition from DESTRUCTIBLE restrictions and protectionist policies showed the need for international regenerating mode, providing stability, particularly in respect of currency coins and to promote trade. (Armstrong, Lloyd and Redmond) On this basis, the proposal was drawn up by experts from 30 countries, which provide the basis for monetary Financial Conference in Bretton Woods 1 to July 22, 1944 (Luboteni, 2006) The objectives of this meeting were:

- To promote international monetary cooperation
- Encourage the expansion and balanced growth of international trade by maintaining high levels of employment and real income, and the development of productive resources for all parties involved.
- Stabilizing exchange rates to minimize the currency risk on the international market
- Establishment of international payment system and eliminate foreign exchange rates restrictions that hinder growth.

Bretton Woods Agreement created and the International Bank for Reconstruction and Development, known as the World Bank headquarters in Washington, the purpose of the credit system is the development of the lagging economy and improve the economic level between capital investment in infrastructure (Hadera, 2006)

In the report of 1991 continued the dispute to reassess the respective roles of the market and developing countries. His idea involved the use of more open markets and privatization of the public sector, accompanied by greater government activism in areas such as health, education, infrastructure and ensure sustainable macroeconomic growth. The Report of 1992 rose main kapros "how policy can promote sustainability, especially on environmental issues affecting the poor, such as access to safe water, safe air and usable land. This last issue was particularly important in the agenda of the Bank and the international community was prepared for the World Environment Conference in Rio de Janeiro in 1992 (Einhorn, 2001)

We must agree with (Mason and Asher, 1973): "No one can say that the

Bank has been a prominent leader in the application of new techniques for project evaluation or analysis of the processes of development." The strength of the Bank consists of its exclusive power to distribute and promote ideas which behaves. Once the Bank has an idea, its financial strength ensures that the idea will gain wide currency.

For example, the influential work of Bela Balassa calculation of ERP for many developing countries is made to the Bank and published it (Balassa, 1971). (World Bank (hereinafter "Bank") is an institution whose purpose is to promote sustainable development worldwide and reduce poverty. "Following these objectives by lending through research production and economic analysis and through policy advice and technical assistance (Gilbert, Powell and Vines, 2001)

So the bank was established, beginning biggest postwar experiment on the use of public loans for economic development. Principally engaged in open trading, the bank initially focuses on large-scale loans for the construction of public infrastructure, railways, roads, ports, power and communication facilities. (Jessica Einhorn, 2001).

World Bank Group consists of five separate structures:

(1) The International Bank for Reconstruction and Development (IBRD, 1945)

(2) International Finance Corporation (IFC, 1956)

(3) International Development Association (IDA 1960)

(4) The International Center for Investment in settling disputes. (ICSID, 1966) and

(5) Multilateral Agency for Investment Guarantee (MIGA, 1988).

The general objectives of these institutions are:

- economic development through financial and technical assistance
- Advice and encouragement for integration into the world economy,
- Poverty Reduction

Voting in these organizations is based on equity. When it was created the World Bank Group aimed to finance the reconstruction of objects that were destroyed during the Second World War.

International Bank for Reconstruction and Development (IBRD)

An international banking institution, established in 1947, as decided by the Conference of Brettonwoods. The main objectives of the Bank within the UN and the IMF are: a) development assistance and recovery of the economies of member states; b) stimulating capital investment in countries that do not provide appropriate levels of equity; c) private capital favorable loans for bad effective investment in production, d) provide guarantees for loans that are invested in projects considered successful.

IBRD collects the majority of its assets in global financial markets. It has become one of the most established borrowers after the release of its first

bond in 1947 to finance the reconstruction of Europe after World War II. Investors see IBRD bonds as a safe and profitable place for investment of money and their projects, cash in middle-income countries. IBRD became a major player on international capital markets by developing modern debt products, opening new markets for debt and build a broad base of investors throughout the world of pension funds, insurance companies, central banks and individuals.

#### International Development Association (IDA)

The International Union for Development (IDA) is a specialized financial institution of the United Nations as a branch of the International Bank for Reconstruction and Development. The constant demand of developing countries to create new tools for the rapid development has been achieved with the creation of the Union in 1960. This specialized organization was set up as developed countries can not use World Bank loans where necessary financing irreversible projects that are not immediately created funds to convert the loan into convertible currencies, but these projects were a prerequisite for the realization of projects for rent.

The purpose of the IDA is to encourage developed countries to serve as a source of funding for their core development programs, such as energy, infrastructure, agriculture, education, health and others.

#### International Finance Corporation (IFC)

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. , IFC is the first organization of the World Bank Group, established in 1955. It was created in the Washington Convention and entered into force in July 1956 IFC is not a typical organization of the UN, but has close ties with the World Bank Group . They included in many UN documents as such. The aim of the IFC is to provide development finance developed private sector and provide assistance and advice to countries and companies in cooperation with private investors. IFC provides loans and finance various enterprises and thus becomes part of them.

Multilateral Agency for Investment Guarantee (MIGA, 1988). MIGA was created as a result of the conclusions of the Convention of 11 October 1985 as an international investment organization. MIGA promotes direct investment in developing countries, especially through investments in high-risk countries. MIGA does not require counter-guarantees such as the World Bank (IBRD and IDA). MIGA provides these risks:

- Registration or dispose of these measures:
- Loft and civil strife;
- Convention of host countries.

Investments must be new and at least three years old. Investments may include all sectors (infrastructure, financial issues, agro-industrial, tourism, etc.), but not military matters, drugs, tobacco, alcohol and others. As a multilateral

development agency, MIGA supported only emerging investment and meet the highest social and environmental standards issues. MIGA applies a comprehensive set of standards for social and environmental outcomes for all projects and provides extensive experience working with investors to ensure compliance with these standards.

International Center for investigation of settling disputes (ICSID). ICSID was established in 1966 with international treaties to create a forum to resolve disputes between foreign investors and host countries hosting through mediators or arbitrators. The headquarters of the Center on the premises of the International Bank for Construction and Development. The president of the bank's position as chairman of the Administrative Board of the Center without the right aloud. The objectives of the Center are to increase the volume of investments by creating a special selection arbitration of disputes created by foreign investment. President of the World Bank is ex officio chairman of the Administrative Board, but unfair vote. Every other member of the Board is entitled aloud. The Secretariat has 23 employees. It is chaired by the Secretary elected at the proposal of the Chairman of the Administrative Board and 2/3 vote of the Council. The number of members of ICSID is 144. All countries which are members of the World Bank, are entitled to receive dues, but they also must be entered into formal shape with membership application. ICSID has 157 members.

#### Components to support World Bank

Svetotovnata Bank offers 5 components (programs) to finance investments to its beneficiaries. This movement has been:

- *Food security.* Under this program, the WB finance investments in sectors related to the production, storage and marketing of food products;
- *Intelligent agriculture for a better climate.* Under this program, instituttsiyata provides financial support for introducing agricultural technologies that reduce greenhouse gas emissions from agriculture;
- *Creating jobs in the food system.* This component World Bank provides financial support for job creation and employment in the food industry and agriculture.
- *Agribusiness and ranges of values.* This component provides financial assistance for the development of new (innovative) value chains in the agricultural sector and related sectors.
- *Livestock and sustainability.* In this component, the bank offers support for investment in the livestock sector and its sustainable development.

#### **Chapter Two. Methodology, and methods used to analyze**

In this chapter of the dissertation research describes the methodology and methods to analyze and evaluate the role of investment by the World Bank in

the development of agriculture in Kosovo. Referring to the critical analysis of the existing literature, the role of the CB is determined by the merged critical factors: (1) contribution to the generation of income in the agricultural sector, (2) job creation, (3) improving the productivity of the sector, (4) contribution in forming value chains (5) efektivnostt farm (6) financed sub-sectors (7) the amount of grants and their monetary value, (8) the general climate for investment.

The methodology used in this study is based on the use of deductive approach are identifying the key factors determining the role and influence of the World Bank in the development of agriculture in Kosovo. Based on the reviewed investment theories and analysis of the mechanism of realization of investments by the World Bank in the agricultural sector have been identified above factors, which are relevant elements of the analysis.

Investment model that the World Bank applies for the development of agriculture in Kosovo is being built by these factors determine the independent variables and their impact on the dependent variable.

The investment model for the agricultural sector was estimated using a methodology (Ahmad Qayyum and 2008), Qayyum (2002). Johansen (1988), using the method of maximum likelihood of long-term relationship between private investment in the agricultural sector and its determinants.

The research in this part of the thesis is divided into two parts:

1. Investitsinni review of existing theories to identify the most important components influencing the economic development of the sector - agriculture;
2. Empirical analysis includes methods and methodology - Analysis of the data through a questionnaire survey.

By analyzing theoretical and empirical data will be compared and checked how each of the variables contributing to the economic development of the sector.

Sample subject to emepriehen analysis in volume of 400 agricultural stopansta, of which 300 are family ferric and 100 are registered as traders under the Commerce Act. As a source for the formation of the sample using the register of the Ministry of zemedeliet, Forestry and Rural Development of the Republic of Kosovo. The sample is divided into 50% to 50%. Half of the farms are those that have not received financial support from the World Bank and the other half from stopanastvata have received such financial support. Stopnstva surveyed are located in major regional centers in Kosovo.

#### **Procedures for selecting respondents**

The questionnaire collected data from selected farms and agribusiness in the largest cities in Kosovo. By collecting data from the questionnaires we seek to answer the questions of the test and confirm the hypothesis of this study, starting with the collection of data from research, place and time in which the survey, predicting difficulties methods. and research tools. The data were collected by distributing questionnaires from farm families and agribusiness working in chosen cities in Kosovo, the first part is sent through google forms, and the other - through interviews live.

According to the Agency for Statistics of Kosovo about 5033 households work as registered in the centers, which are subject to Alize. As can

be seen from the records in the area Djakova, there are about 1156 registered farmers in the region Gjilan - 676, in the area Mitrovic - 425, in the area Peja - 800, in the area Pristina - 480, in the area Ferizaj - 895 in the field Prizren - 601.

By the following formula is determined amount of the investigated set of units:

$$n = \frac{N}{(1 + N \frac{2}{e})}$$

where:

n = sample selected

N = population

e = 5% significance level (95% significant)

$$n = \frac{5033}{1 + 5033 * (0.05)^2} = \frac{5033}{12.585} = 400$$

Table 1. Volume and structure of the sample

Municipality	# Of registered farmers	Mun. weight	# Of respond	Small plants
GJAKOVĚ	1156	0.06	54	8
GJILAN	676	0.03	32	0
MITROVICĚ	425	0.02	20	8
PEJĚ	800	0.04	37	5
PRISHTINĚ	480	0.02	22	1
FERIZAJ	895	0.04	42	6
PRIZREN	601	0.03	28	10
Total	5033	0.24	235	38

Source: own.



300 questionnaires were sent to respondents using the Google Forms. From the resulting 250 questionnaires, 15 are invalid. The number of questionnaires left analysis is 235. The calculation of the percentage of responses was performed by the following formula (Skender, 2012).

The rest of the 100 questionnaires were distributed through direct contacts with leaders of agribusiness enterprises, of which 71 responded, of which 21 - polls were considered invalid and the total number of questionnaires subject to reliable analysis was 50. The total number of credible polls object of analysis is 285.

**investigation**

The survey includes a total of 60 questions, divided into two parts - (1) farmers and (2) for managers of agribusiness companies and is divided into two information blocks. First block includes data on respondents related to age, sex, education level, region. The second block, the resulting information to verify the role of the factors determining the influence of the World Bank for development of agriculture.

**regression model**

Testing the empirical relationship between investment World Bank and agricultural development is carried out by method of simple linear regression. In the regression model as an independent variable sets the amount of investments financed by the World Bank and as dependent variables bet: size and nature of the activity of the beneficiary; income of the recipient of financial assistance; job creation; improving the productivity of the beneficiary; value chains in the sector receiving financial support; access to subsidies; monetary value of financial pomiosht it, and the general climate for the development of agricultural activity of the beneficiary.

**statistical hypotheses**

In the course of iseldvane placed statistical plausibility check the following statistical hypotheses:

<b>hypotheses</b>	<b>Type tested connection</b>
<p><b>N0a</b> - Investments of World Bank not substantially affect the activity of economic agents in the agricultural sector;</p> <p><b>H1a</b> - Investments of World Bank significantly affect the activity of economic agents in the agricultural sector;</p>	<p>proportional</p>

<p><b>N0b</b> - Investments of World Bank significantly not affect the amount of income of economic agents in the agricultural sector;</p> <p><b>N1b</b> - Investments of World Bank significantly affect the amount of income of economic agents in the agricultural sector;</p>	proportional
<p><b>N0s</b> - Investments of World Bank significantly not affect the number of jobs in the agricultural sector;</p> <p><b>N1s</b> - Investments of World Bank significantly affect the number of jobs in the agricultural sector;</p>	proportional
<p><b>N0d</b> - Investments of World Bank significantly not affect the performance of economic agents in the agricultural sector;</p> <p><b>N1d</b> - Investments of World Bank significantly affect the productivity of economic agents in the agricultural sector;</p>	proportional
<p><b>N0f</b> - Investments of World Bank significantly not affect the chain of values in the agricultural sector;</p> <p><b>N1f</b> - Investments of World Bank significantly influence the value chain in the agricultural sector;</p>	proportional
<p><b>N0p</b> - Investments of World Bank significantly not affect the competitiveness of the agricultural sector;</p> <p><b>N1p</b> - Investments of World Bank significantly affect the competitiveness of the agricultural sector;</p>	proportional

<p><b>N0k-</b> The investments of the World Bank significantly not affect the monetary value of economic agents in the agricultural sector;</p> <p><b>N1k-</b> The investments of the World Bank significantly influence the monetary value of economic agents in the agricultural sector;</p>	proportional
<p><b>N0h-</b> The investments of the World Bank significantly not affect the number of farmers who have received financial assistance;</p> <p><b>N1h-</b> The investments of the World Bank significantly affect the number of farmers who have received financial assistance;</p>	proportional
<p><b>N0u-</b> The investments of the World Bank significantly not affect access to subsidies;</p> <p><b>N1u-</b> The investments of the World Bank significantly affect access to subsidies;</p>	proportional
<p><b>N0L-</b> The investments of the World Bank significantly not affect the overall climate for the development of the agricultural sector;</p> <p><b>N1L-</b> The investments of the World Bank significantly influence the overall climate for the development of the agricultural sector;</p>	proportional

***Chapter Three. Identifying investment parameters in the model***

Agriculture is a key factor for economic growth in Kosovo. Predopostavki for this key role in the sector are: fertile soil, favorable climate and brilliance of water resources. Dobo management of these resources is a prerequisite for agriculture to become one of the most important sectors for promoting economic development.

Benefits in investment in agribusiness are multidimensional. What makes this special sector especially in the current economic conditions of the Republic of Kosovo is that agriculture provides employment to a large part of the population of the state. Agriculture has the greatest absorbent capacity of the workforce, as any other sector does not hold. Promoting employment in the sector will reduce the level of unemployment in the country and to encouraging the country can reduce its dependence on imports of agricultural products and thus will reduce the outflow of capital abroad.

The benefits of investing in the agricultural sector do not end there, we can say that investing in this sector has a large number of secondary benefits that the country will realize even greater economic growth, namely they are:

- Increase productivity;
- Create jobs;
- Increase income;
- Creation of value chains;
- Improving the living standards of the population.

But this can not be achieved by only supports primary production without developing agricultural infrastructure. The number of employees in primary production can be very large, but the workplace is sustainable only if it is guaranteed access to infrastructure - transport, irrigation, storage and others. Consequently, capital investments in processing facilities, warehouses for agricultural products and collection facilities ensure sustainable primary production and sustainable jobs in the future.

To make agriculture competitive market, it is necessary to reduce production costs by subsidizing inputs or through the development of its own production of raw materials in the domestic market, increase production of surface units by controlling the quality of the products (seeds, fertilizers, pesticides) agricultural land under irrigation, then professional support for farmers in the fair use of agro-technical measures, modernization of agric opanskiya mechanism for better cultivation and promotion of farmers in the establishment of joint agricultural enterprises or their organization in associations.

It is also interesting for agriculture of Kosovo to make orientation and specialization of production according to predispositions that the regions have to produce crops, vegetables, fruit trees, vineyards and livestock and to make production planning in accordance with the trends market while avoiding the possibility of the emergence of a culture svrahrazprostranenie and the deficit of another culture market, leading to unstable market prices.

Given the above factors, by regress seek link between the impact of the investment policy of the World Bank and postiggantite results in the agricultural sector.

### **Verification of statistical hypotheses**

In this part of the dissertation prove or reject raised for checking statistical hypotheses, through the verification of which is sought proof of rightness research thesis.

First hypothesis: The investments of the World Bank significantly not affect / influence the activity of economic agents in the agricultural sector

The results of regrisionniya analysis shows that the null hypothesis is proved, namely that investments of the World Bank do not affect the activity of economic agents in the agricultural sector, as proven correlation is not relevant and tested relationship is inverse in nature. The activity of economic agents is determined by three factors as follows:

- Factor 1 (Size nature of the business owned the beneficiary) lead to values (Beta -430, -646 t, sig.564) and it shows the negative correlation of these independent variables with the dependent variable.

- Factor 2 (magnitude of the nature of the free activity of the

beneficiary) gave values (Beta -1.345, t -595, whitefish. 593) indicating that the negative correlation of these independent variables with the dependent variable.

- Factor 3 (dimension of the nature of the operation of the leased beneficiary) resulted in values (Beta -1.303, t -577, sig.604) and it shows the negative correlation of these independent variables with the dependent variable.

In the regression equation only those independent variables to which Sig. <P or Sig. <0.05.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \varepsilon$$

Second hypothesis:The investments of the World Bank substantially no influence / affect the amount of income of economic agents in the agricultural sector. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank influence the amount of income of economic agents in the agricultural sector. Studied correlation between the two variables is strong in nature and is proportional. Income is determined by two factors - family income and real estate.

- Factor 1 (family income) resulted in values (Beta 681, t 6.296, sig. 024), which shows the relationship of the independent variables that have a dependent variable.

- Factor 2 (Real Estate) led to values (Beta 387, 6. t 3.576, sig. 070), showing the correlation of independent variables with the dependent variable. Uraeven regression is as follows:

$$Y = \beta_0 + \beta_1 * X_1 + \varepsilon$$

$$\text{Where } Y = 5093.298 + 6.296 * \text{Family income} + 6.3576 * \text{Real Estate}$$

Third hypothesis: The investments of the World Bank substantially no influence / affect the number of jobs in the agricultural sector. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank significantly affect the number of jobs in the agricultural sector. Studied correlation between the two variables is strong in character and proportional. The regression equation is as follows:

- Factor 1 (job creation) values (Beta 975, 7,615 t, sig. 005), statistically significant, showing the relationship of the independent variables that have a dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \varepsilon$$

$$Y = 3393.723 + 7.615 * \text{Creation of jobs.}$$

Fourth hypothesis:The investments of the World Bank substantially no influence / affect the productivity of economic agents in the agricultural sector. The results of the regression analysis showed that the null hypothesis is proved, namely that investments of the World Bank significantly not affect the performance of economic agents in the agricultural sector. Studied correlation between the two variables is weak in nature and inversely. The regression equation is as follows:

Factor 1 (value of machines and equipment) gave values (Beta 718, t 1.464, sig. 239), which shows the correlation of independent variables that have a dependent variable.

- Factor 2 (market prices AGROPRODUKT) gave values (Beta 360, t

845, sig. 460) showing the correlation between independent variables with the dependent variable.

- Factor 3 (value of the irrigation system) gave values (Beta .018, t .039, sig .972), showing the correlation between independent variables having a dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \epsilon$$

$$Y = 170.122 + 1.464 * \text{Value machines} + 845 * \text{Prices of agro market} + 039 * \text{Value of the irrigation system.}$$

Fifth hypothesis: The investments of the World Bank significantly not affect / influence the value chain in the agricultural sector. The results of the regression analysis showed that the null hypothesis is proved, namely that investments of the World Bank not substantially affect the value chain in the agricultural sector. Studied correlation between the two variables is weak in nature and inversely. The regression equation is as follows:

1-factor (market access) gave values (Beta -0.019, t -0.028, sig.9.980) and it shows the negative correlation of these independent variables with the dependent variable.

-Factor 2 (Access to information about financial support) resulted in values (Beta 0.485, t 0.533, sig. 0.647) and it shows the negative correlation of these independent variables with the dependent variable.

- Factor 3 (Access to professional services) lead to values (Beta 0.070, t 0.088, sig. 0.938), indicating that the negative correlation of these independent variables with the dependent variable.

- Factor 4 (Access to trade finance - affordable rates) result in values (Beta 0.040, t 0.056, whitefish. 0.961) indicating that the negative correlation of these independent variables with the dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \beta_4 * X_4 + \epsilon$$

$$Y = 176.874 + 0.028 * \text{Market access} + 0.533 * \text{Access to information about financial support} + 0.088 * \text{Access to professional services} + 0.056 * \text{Access to trade finance at affordable rates}$$

Sixth hypothesis:The investments of the World Bank substantially no influence / affect the competitiveness of the agricultural sector. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank significantly affect the competitiveness of the agricultural sector. Studied correlation between the two variables is strong in character and proportional. The regression equation is as follows:

- Factor 1 (family income) resulted in values (Beta 681, t 6.296, sig. 024), which shows the relationship of the independent variables that have a dependent variable.

- Factor 2 (Real Estate) led to values (Beta 387, t 3.576, sig. 070), showing the correlation of independent variables with the dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \epsilon$$

$$Y = 5093.298 + 6.296 * \text{Family income} + 3576 * \text{Real Estate.}$$

Seventh hypothesis: The investments of the World Bank significantly not affect / influence the monetary value of economic agents in the agricultural

sector. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank significantly influence the monetary value of economic agents in the agricultural sector. Studied correlation between the two variables is strong in character and proportional. The regression equation is as follows:

- Factor 1 (Satisfaction of the value of financial support) resulted in values (Beta -1.038, t -5.272, sig .013), which shows the relationship of the independent variables that have a dependent variable.

- Factor 2 (Satisfaction of income) gave values (Beta 705, t 3.419, sig 042) showing the correlation between independent variables with the dependent variable.

- Factor 2 (Access to trade finance - at affordable rates) lead to values (Beta -.404, t - .2.176, sig .118), but not statistically significant, showing the interconnection of the independent variables that have a dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \epsilon$$

$Y = 1196.842 + 5.272 * \text{Satisfaction with the amount of financial support} + 3.419 * \text{Satisfaction with income} + 2.176 * \text{Access to trade finance - at affordable prices.}$

Eight hypothesis: The investments of the World Bank significantly not affect / influence the number of farmers who have received financial assistance. The results of the regression analysis showed that the null hypothesis is proved, namely that investments of the World Bank significantly not affect the number of farmers who have received financial assistance. Studied correlation between the two variables is weak in nature and proportional. The regression equation is as follows:

- Factor 1 (Basic agricultural activity - primary activity) result in values (Beta -.875, t - 3.620, sig. 022) showing the correlation between independent variables having a dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \epsilon$$

$Y = 4.117 + 3.620 * \text{Basic agricultural activity.}$

Ninth hypothesis:The investments of the World Bank substantially no influence / affect access to subsidies. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank significantly affect access to subsidies. Studied correlation between the two variables is strong in character and proportional. The regression equation is as follows:

Factor 1 (Accessibility and satisfaction value of subsidies and grants) gave values (Beta 1.674, t 7.582, sig .017), showing the correlation of the independent variables with the dependent variable.

- Factor 2 (Foreign grants and) gave values (Beta .750, t 4.076, sig.055), showing the correlation between independent variables having a dependent variable.

- Factor 3 (grants and subsidies from the Ministry) led to values (Beta 179, t 1.499, sig. 273), not statistically significant, showing the relationship of the independent variables with the dependent variable.

-Factor 4 (Information on grants and subsidies) led to values (Beta -

1.644, t -6.541, sig. 023), showing the correlation of independent variables with the dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \varepsilon$$

$$Y = 312 + 244\ 7582 * \text{Access to the value of subsidies and subsidies} + 4076 * \text{Foreign grants and} + 1499 * \text{Information on grants and subsidies} * 6541 * \text{Information on grants and subsidies.}$$

**Tenth hypothesis:** The investments of the World Bank significantly not affect / influence the overall climate for the development of the agricultural sector. The results of the regression analysis showed that the alternative hypothesis is proved, namely that investments of the World Bank significantly influence the overall climate for the development of the agricultural sector. Studied correlation between the two variables is strong in character and proportional. The regression equation is as follows:

- Factor 1 (Creation of a general climate in agriculture) gave values (Beta -.864, t -4.872, sig .017), showing the interconnection of the independent variables that have a dependent variable.

- Factor 2 (growth of confidence) gave values (Beta -.544, t -3.193, sig .050), showing the correlation between independent variables having a dependent variable.

- Factor 3 (satisfaction of the value of financial support) resulted in values (Beta -.917, t -6.515, sig. 007), which were not statistically significant, showing the relationship of the independent variables with the dependent variable.

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \varepsilon$$

$$Y = 285.562 + 4.872 * \text{Creation of a general climate} + (- 3193) * \text{Increased confidence} + (- 6515) * \text{Satisfaction of the amount of financial support}$$

**Results of the verification of statistical hypotheses:**

N0	hypotheses	Proves the following hypothesis:	Strength investigated relationship	Type tested connection
1.	<p><b>N0a-</b> Investments of World Bank not substantially affect the activity of economic agents in the agricultural sector;</p> <p><b>H1a</b> - Investments of World Bank significantly affect the activity of economic agents in the agricultural sector;</p>	<b>N0a</b>	weak	inversely
2.	<p><b>N0b</b> - Investments of World Bank significantly not affect the amount of income of economic agents in the agricultural sector;</p> <p><b>N1b</b> - Investments of World Bank significantly affect the amount of income of economic agents in the agricultural sector;</p>	<b>N1b</b>	strong	proportional



3.	<b>N0s</b> - Investments of World Bank significantly not affect the number of jobs in the agricultural sector; <b>N1s</b> - Investments of World Bank significantly affect the number of jobs in the agricultural sector;	<b>N1s</b>	strong	proportional
4.	<b>N0d</b> - Investments of World Bank significantly not affect the performance of economic agents in the agricultural sector; <b>N1d</b> - Investments of World Bank significantly affect the productivity of economic agents in the agricultural sector;	<b>N0d</b>	strong	inversely
5.	<b>N0f</b> - Investments of World Bank significantly not affect the chain of values in the agricultural sector; <b>N1f</b> - Investments of World Bank significantly influence the value chain in the agricultural sector;	<b>N0f</b>	weak	inversely
6.	<b>N0p</b> - Investments of World Bank significantly not affect the competitiveness of the agricultural sector; <b>N1p</b> - Investments of World Bank significantly affect the competitiveness of the agricultural sector;	<b>N1p</b>	strong	proportional
7.	<b>N0k</b> - The investments of the World Bank significantly not affect the monetary value of economic agents in the agricultural sector; <b>N1k</b> - The investments of the World Bank significantly influence the monetary value of economic agents in the agricultural sector;	<b>N1k</b>	strong	proportional
8.	<b>N0h</b> - The investments of the World Bank significantly not affect the number of farmers who have received financial assistance; <b>N1h</b> - The investments of the World Bank significantly affect the number of farmers who have received financial assistance;	<b>N0h</b>	weak	proportional

9.	<p><b>N0u-</b> The investments of the World Bank significantly not affect access to subsidies;</p> <p><b>N1u-</b> The investments of the World Bank significantly affect access to subsidies;</p>	<b>N1u</b>	strong	proportional
10.	<p><b>N0L-</b> The investments of the World Bank significantly not affect the overall climate for the development of the agricultural sector;</p> <p><b>N1L-</b> The investments of the World Bank significantly influence the overall climate for the development of the agricultural sector;</p>	<b>N1L</b>	strong	proportional

### **Izdovi and recommendations**

The following recommendations are offered as a result of this study:

Improving the productivity of farms in progressive harmonization, development of sustainable and quality food production through the development of competitive and innovative sector, able to withstand the pressure of competition in the domestic and foreign market. It is recommended to do this by facilitating the restructuring of the agricultural sector, improving land use and enhancing market participation and orientation, focusing in particular on the development of the most economically productive segment of primary and agricultural sector through improved methods and conditions of production, improve product quality. This will be achieved by investing in farms, food processing and marketing, and development of an efficient supply chain.

Improving the overall performance of farms for the production of primary agricultural products. It is recommended that specific targets should be developed and identified for each sector in the Program for Rural Development. Those who benefit from the application of this measure will be economically viable farmers and other entities (eg. Family farms, producer groups and others.) Responsible for the conduct and financing of agricultural investments. Beneficiaries must comply with legal requirements and relevant national standards. Eligible expenses will be limited to construction and upgrade of real estate, purchase of new machinery and equipment, including software to market value.

-Speeding the process of integration of the value chain to enable cooperation between different actors, including horizontal cooperation. The cooperation projects provide an opportunity for greater integration. This measure will promote forms of cooperation, including at least two operators. In particular, it will promote cooperation between different actors in agriculture and the food chain and cooperation between other actors supporting the achievement of the objectives and priorities of policies for rural development. To achieve this it is necessary to undertake the following activities: Development of new products, practices, processes and technologies in the agriculture and food sector; Cooperation between small operators to organize joint work processes and shared use of the environment and resources; Horizontal and vertical cooperation

between actors in the supply chain for the construction of logistic platforms to promote short supply chains and promote local markets.

-Balansirano territorial development in rural areas by promoting diversification of economic activities, job creation and social inclusion and improve living conditions in rural areas. This activity should have a particularly high priority because of the poor state of rural areas in the overall economy, the large number of people living in rural areas, and the importance of developing alternative economic activities to promote structural development of agriculture. It is recommended to facilitate the diversification of economic activities and the creation of new jobs and small businesses to improve local services to renovate the infrastructure of the village and rural areas and to increase access to the use of modern information and communication systems.

-For agribusiness is recommended to support policies for export development that will support export-oriented enterprises in agriculture, industry and services through group development, export promotion of local added value, expansion and growth of existing export-oriented companies with the introduction of new products and technologies to increase competitiveness; promote domestic products replacing imported products;

-If in future be granted additional public support to individual farmers would recommend target groups for the program to be redefined, this can be done by introducing appropriate thresholds in the criteria for eligibility under the program.

- Procedures for selecting programs of the Ministry of Agriculture must be transformed, giving greater importance to the quality of the proposed investment project. Business plans must be carefully analyzed in terms of their feasibility and expected profitability / efficiency of the proposed investment.

- Promote financial support for investment measures aimed at individual farmers and farmers in order to provide more space for increasing the "productive" investments in agricultural and food sector, support of additional services, machine maintenance, specialized training in marketing; support rural infrastructure, access to finance; support for storage facilities in public ownership (rented small owners), irrigation activities or support agreements for pasture management, public collection centers and milk.

- Improve cooperation between producers supporting various cooperation activities between the various producers and processors, such as fruit producers and processors of fruit value chains. Better connectivity means more communication and transparency. If implemented such support, it would improve planning on both sides of the value chain from farmers to processors.

## **conclusion**

During the dissertation research has proven research thesis, namely that the investment support of the World Bank is a key factor for the development of the investment environment of rural stopanastvo in the Republic of Kosovo. The recommendations resulting from the analysis aimed at improving the investment environment of agriculture to allow it to be competitive both in the internal and external market.

### **III. Information for contribution moments in thesis**

In the thesis can be distinguished contribution these moments with scientific and applied nature:

1. Clarify the essence of investment and investment process in agriculture;
2. Clarified the essence of fnksionirane the World Bank as a tool for development of economically backward countries and regions;
3. Developed a conceptual framework for assessing the impact of the World Bank on the economic development of agriculture in the Republic of Kosovo;
4. Analyze and evaluate the role of the World Bank in the economic development of agriculture in the Republic of Kosovo is;
5. It is what approach the World Bank (impact factors) have the most support in the investment activity of economic agents in agriculture;
6. Formulates recommendations for improving ikomicheskoto development of agriculture of the Republic of Kosovo.

### **VI. posts**

1. **Gashi, A., A. Behluli** (2018). The Role of Training in Motivating Employees in Hotel Enterprises. Knowledge - International Journal, vol.24, July, 2018, pp. 163 to 167
2. **Gashi, A., A. Behluli, J. Feiza** (2018). Advertising as a Method for Persuading Clients. Knowledge - International Journal, vol.24.1, July, 2018, pp. 181- 186
3. **Gashi, A., A. Behluli, J. Feiza** (2018). Impact of Motivating Factors in Increasing The Quality of Hotel Service. Knowledge - International Journal, vol.24.1, July, 2018, pp. 175- 179
4. **Gashi, A., A. Behluli, J. Feiza** (2018). Impact of Customer Advertising for Buying. International Journal, vol.24.1, July, 2018, pp. 111-116
5. **Gashi, A.**(2019). The Role of Investment in the Field of Agriculture in Kosovo. Knowledge - International Journal, vol.31.5, June, 2019, pp. 1459- 1462
6. **Gashi, A.**(2019). Role of Central Bank in Kosovo in Agribusiness Investments. Knowledge - International Journal, vol.31.5, June, 2019, pp. 1443- 1447

## **Summary**

### **Actuality of research**

The thesis titled "World Bank Investment in Agriculture Development in

Kosovo" initially aims at investigating, factorizing and analyzing events describing the relationship, the performance of the World Bank in Kosovo, Kosovo's economic integration, historical moments of investment aspects, investments World Bank in the agriculture Sector and the role of the World Bank in the development of agriculture with special emphasis on Kosovo. Through this topic, we aim to understand the results achieved by World Bank programs and projects, trying to identify areas where it has been successful, where problems have emerged and overcome the major challenges in recent developments in the agricultural sector in particular.

An initial analysis has to do with the history and role of the World Bank in the global economy, to continue with the efforts and obstacles Kosovo has over the small number of investments, an overview of the country's economy in a detailed context, moments of challenges, commitments and the role of agreements with financial institutions such as the World Bank. With particular emphasis on the role of Kosovo-World Bank relations in the agriculture sector.

As well as elaborated in the research input section, the subject of this study is the impact of World Bank Investment, measured by the Kosovo Agriculture Sector. In order to measure the impact of World Bank investment on Kosovo's agriculture development, with this thesis, we will look at the investment aspects between the beneficiaries of the World Bank and non-beneficiary programs, thus enabling a comparison between those who receive financial support and those who do not have.

However, this analysis is not enough to look at the effects on the development of agriculture, so this research analyzes, related to the World Bank's investment projects, come to conclusions on the impact of the World Bank's agriculture development projects.

Since this research is intended to measure the importance and impact of World Bank investment in agricultural development. This research highlights the different ways of the World Bank investments in income, productivity, employment and the value chain of the farmers.

### **Purpose of the study**

Like any other thesis, this thesis has its importance and uniqueness as a very challenging and current topic in Kosovo. Kosovo is a country that is part of the World Institutes, a country with very small initial experience, a country that has undergone a rapid transformation, a country that has marked positive growth rates during the recent crisis, a country with unemployment and poverty the highest rate in the region.

Analyzing such a topic is of interest to everyone. The final conclusions will help determine the exact benefit of this topic. The practical goal of this topic focuses on the role and impact of the World Bank in agricultural development in Kosovo. Completing the research work and achieving the results will be given to the conclusions and recommendations that are a topic of great scientific interest and

we hope that we will give some knowledge in the areas where the World Bank has been successful, where the problems have arisen and where there are challenges that were overwhelmed.

The aim in our research on this subject has been put into the following main directions:

- The link between World Bank investment and agriculture development in Kosovo;
- The research of the World Bank's investment problems for the economic development and its impact on the development of the agricultural sector in Kosovo;
- To reflect profiles that create World Bank projects as a promoter of the growth of agriculture in Kosovo;
- To study the gap between the real demands of the farmers and agribusinesses and what the World Bank investment projects offer to them.

### **Objective and research questions**

The aim of the study is concerned with the World Bank's investments in the development of agriculture as a factor of economic growth in Kosovo. This objective can be achieved by following sub-objectives:

- World Bank investment productivity measurement and impact on the development of agriculture;
- What fields of agriculture should be oriented to the World Bank investments in order to create jobs in this sector? These investments are expected to have a positive impact on economic growth;
- The role of the World Bank in Kosovo's agricultural development;
- World Bank financial support to the process of agricultural development in Kosovo;
- Benefits that farmers and agribusiness have received from obtained grants by the World Bank projects.

However, to achieve above main aim and sub-objectives, we need to concern the following legislation and indicators in Kosovo: (1) the impact of the agricultural sector on overall economic development (2008-2017), (2) key indicators for the agriculture sector (2008-2017), (3) contribution of agricultural sector to GDP (gross domestic product) and employment (2008-2017), (4) contribution of Agriculture sector to Poverty Reduction (2012-2015), (5) the role of Agriculture in the Use of Agricultural Land (2008-2017).

In the following scheme, we will present the framework of our study and linkages between World Bank Investments and agricultural development.

In the scheme, we can show the impact of the World Bank Investments on agricultural development in Kosovo and effects of (1) increasing productivity in

the sector, (2) creating jobs in agricultural sector, (3) opportunity for increasing the income and (4) creating value chains.

To Investigate the problems of World Bank projects financing in creating a quality workforce in the agricultural sector and its impact on the country's economic growth.

There are three main research questions for our analyze:

- What does impact on the agricultural development represents the funding of the World Bank?
- What are the size of the World Bank funding to improve the conditions of farmers in the agricultural sector?
- What are the expectations of the World Bank investment in agriculture and how much the level of income, the level of productivity, the labor force and the chains of farmers values depends?

There are also some sub-questions with which we clarify our research, such as:

- How productive is the World Bank investment in developing agriculture in Kosovo?
- How do investments in agricultural fields be spread?
- What are the most demanding fields in the agricultural sector that lack investment?
- How do World Bank investments affect the growth of employment in agriculture?
- How is the link between World Bank investment and the level of unemployment?
- What is the distribution and utilization of the World Bank's investments dedicated to agriculture in Kosovo?
- How do the World Bank's investments affect the improvement of the livestock status and the level of farmers' income?
- How do World Bank investments affect the creation of the value chain of farmers?

The research has been divided into two theoretical chapters:

- Literature review to investment: World Bank investment in development, World Bank investment in poverty reduction, investment of the World Bank in agriculture, World Bank investments (chapter 1).
- Empirical analysis: include the methods and methodology - data analysis through questionnaire survey (chapter 2).
- Analytical analysis: include identifying investment variables in agriculture (chapter 3) and role of the World Bank on the agricultural development in Kosovo (chapter 4).

After analyzing the theoretical and empirical data, we will be discussed and

verified that each of the variables contributes to the general understanding of what is being studied, and from this discussion we will come to the end of the conclusions and recommendations chapters.

The second chapter will explain in more detail the empirical research, population and selection sample, measuring instruments, Simple Linear Regression, econometric model, analysis of results, interpretation of results, verification of hypotheses.

#### Sources of Information

The sources of information used are:

- World Bank,
- Kosovo Agency of Statistics (KAS),
- Ministry of Agriculture, Forestry and Rural Development (MAFRD),
- Green Report (RG),
- Central Bank of Kosovo (CBK)

#### **Methodology of research**

The thesis of World Bank Investment aims to provide the experiences of its applicants in the development of agriculture in Kosovo from farming and agribusiness families. Through research we will be able to provide reliable data and findings on the real situation on the ground and the role of the World Bank investment on the agricultural development in Kosovo.

The analyze of data description and methods helped us to find data and to validate the hypotheses presented in the study. We, also, explained the context of the research, the research participants, the way of data was collected, the way of questionnaire was formulated.

The research approach in the second part of the methodology is based on population and sample selection, measuring instruments, linear regression, econometric model, analysis of results, interpretation of results, hypothesis verification. The research is based on qualitative and quantitative method. SPSS were implemented using the data from the questionnaire (taken by farmers and agribusinesses) to measure regression estimation, with which we tested positively and negatively predicted hypotheses.

We analyzed hypotheses using the regression methodology. Then, we conducted SPSS through the empirical model and learn the interdependence between independent variables and agricultural development. Qualitative method was used to extract data from the right observation by participating in the research through questionnaires and interviews.

The comparative method has been used to analyze World Bank investment across the regions. All necessary interviews and information are presented in a statistical form using descriptive statistics. Quantitative method has served to present data by numerical method (number of interviewees, percentages, tables, graphs and diagrams).



The sample population of the study included 300 farm families in the largest regional centers and 100 agribusinesses, the sample being split into 50:50 between beneficiaries and non-beneficiaries. The collected data from selected farms and agribusinesses is taken by the largest metropolitan areas in Kosovo. The questionnaire is sent through google forms and face to face interviews. The valid residual number for analyzes was 235 for farm families and 50 for agribusinesses, general sample 285.

Data analysis went through the following stages: descriptive statistical analysis, questionnaire design, data collection through factor analysis, cross-tabular analysis and linear regression analysis while data processing was done through SPSS software.

The research was conducted using a mixture of methods and instruments, theoretical and empirical methods used in the analysis and compilation of this paper. In this scientific research we used the OLS (least squares) model to assess the impact of determinants of agricultural development in Kosovo. Through the regression model, we validated the hypotheses using the appropriate techniques from SPSS (Statistical Package for Social Sciences).

Theoretical analysis includes rethinking the literature on investment in agricultural development, and especially the aspects that are selective for empirical treatment. The all data collected through Google Form and transferred to Excel where coded. The data created in Excel was imported from SPSS and pre-coded. Then, the variables are categorized to understand the tables and then started with statistical calculations. The research is divided into two questionnaires, one for farm families and the other for agribusiness. The first section summarizes the general information and includes two sub-sessions - the first one includes data collected by farmers and agribusiness respondents, while the second sub-session included data on agribusiness.

### **Expected results from review**

The large numbers of authors have done similar studies and analyzed that positive relationship exist between investment and the size and nature of beneficiary activity (eg Kevane 1996 for Sudan, Zaibet, and Dunn, 1998). Also, they found positive effects of the investments and beneficiary variables of the income (Braverman and Guash, 1984; or Feder et al., 1989), and positive effects between investment and productivity {Smith, (2004), Gebremedhin and Swinton (2003 ), Graham and Darroch (2001), Country and Otsuka (2002), Country and Otsuka (2001)} Some authors found out that in Tunisia there is negative link among investment and nature of the beneficiary activities (including Van Zyl et al., 1995 for South Africa; Kimhi, 2003 for Zambia; Barrett, 1996; for Madagascar; Larson et al., 2012) and negative links among investment and productivity {Brasselle et al. (2002), Gavian and Ehui (1999)}. However, above authors expected that most of the hypotheses will be verified positively.

We expect the World Bank investment variables and the size and nature

of the beneficiary's activity to be negatively correlated because it will be proven that small farmers are still more productive than large farmers. The World Bank's investments and the beneficiary's earnings are positively correlated with increasing incomes as farmers have more savings to grow their business and, less debt. The World Bank investments and job creation are more sustainable when there is a positively link between job creation and maintaining existing jobs through development of new business activities, increasing the level of economic activity in rural areas and reversing the current trend of depopulation in rural areas. The World Bank investment and improved productivity of beneficiaries is the bridge for positively improving farm productivity. The World Bank investments and chains beneficiaries value are positively linked to increased value chain integration to enable collaboration among individual stakeholders, including horizontal cooperation. This measure will promote forms of cooperation involving at least two entities. The World Bank investment and farm performance beneficiaries are positively related, given that improving overall farm performance for primary agricultural production. The World Bank investments are the beneficiary-funded sector and access to positively linked investment grants. If the agricultural sector will have economic growth as it is seen as the driver of economic growth. The World Bank's investments and the monetary value of the beneficiary are positive given that farmers are in terrible need of financial support for the development of their business, positively linked investments from the World Bank and the overall environment of the beneficiary's agricultural activity. Investors in primary production need access to larger, uninterrupted plots of land than currently available, while processors need better infrastructure and products of the highest quality.

The empirical results from the data processing are expected to be consistent with similar scenarios dealt with in the literature of previous researchers and to better reflect World Bank investments in agricultural development in Kosovo. As the thesis will provide data on all World Bank investments in Kosovo's agricultural sector, the empirical results and recommendations formulated will be of a general nature.