AGRICULTURAL UNIVERSITY PLOVDIV FACULTY - ECONOMICS

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DEVELOPMENT OF THE ECONOMIC SUSTAINABILITY OF VINEYARDS IN KOSOVO

ABSTRACT

of a dissertation for awarding an educational and scientific degree "Doctor" in a scientific specialty

"Organization and management of production"

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Reviewers:
The dissertation was discussed and focused on the defense of an extended meeting of the Department of Management and Marketing at the Faculty of Economics, Agricultural University of Plovdiv.
The defense of the dissertation will take place on 2020 from

I. General characteristics of the dissertation

Relevance of the topic

In Kosovo, the last 10 years have seen favorable trends in the development of viticulture. The total area of vineyards is greatly increased. It is currently 130,000 decares. The ratio of the newly created to the uprooted vineyards is 8: 2. 71,000 decares are newly created. Most of Kosovo's vineyards have not expired. The new plantations have been established over the past few years, thanks to funding from the Kosovo Ministry of Agriculture. The areas of the new vineyards allow the normal reproduction of the plantations in the country.

The expansion of the vine culture in Kosovo, the adaptation of its varietal composition in order to produce high quality grapes necessitate a study of the economic sustainability of vineyards as it will depend on the future development of the country's wine sector. In an economy based on competition and demand, the problem of economic sustainability of the economy becomes vital.

Scientific publications on the problem lack a generally accepted view of the nature of this economic category. There is also a general methodological approach for analysis and assessment of the level of economic sustainability of farms with different specialization and intensification. All this determines the urgency of the problem.

Conceptual thesis of the dissertation

The level of economic sustainability of the vineyard under equal other conditions is influenced by the type of organizational form and the type of production technology applied in it.

Purpose and tasks of research

The goal The dissertation research is to assess the economic sustainability of vineyards in Kosovo and on this basis to develop guidelines for its improvement.

Achieving the goal is sought by solving the following tasks:

- Clarification of the nature and content of the vineyard as a system resistant to environmental influences;
- Clarification of the essence of economic sustainability as an element of effective management of the vineyard;
- Development of methodological approaches and methodology for studying the economic sustainability of the vineyard;
- Establishing the state and trends in the development of the main factors for the development of the economic sustainability of the viticulture;
- Assessment of the economic sustainability of the organizational forms of vineyard management in Kosovo;
- Development of guidelines for increasing the economic sustainability of vineyards in Kosovo.

Subject and object of the dissertation research

The subject of the study is the economic sustainability of vineyards located in the territory of the Republic of Kosovo.

The object of the survey are the vineyards in the Republic of Kosovo. An agricultural holding is considered to be an agricultural holding in which at least 50% of the cash income from its activity is generated as a result of the production of grapes and / or grape products.

Research approaches

The following two main approaches are used in assessing the economic sustainability of the vineyard: the first is based on the Neoclassical theory of the economy. According to her, the economic sustainability of the economy is a result of the use of the main factors of production - land, labor, capital and entrepreneurship. The vineyard adapts its market behavior depending on the applied production technology and market prices; the second approach is based on the Economics of Transaction Costs.

In the study, the vineyard is perceived as a production and economic system, which is why a systematic approach is applied in its research and analysis.

The following methods are used in the research process to prove the conceptual thesis of the dissertation: systematic analysis; index method; statistical methods - descriptive statistics, t-criterion, one-way analysis of variance, chi-square analysis and the method of multiple comparisons.

The specialized software product SPSS and statistical package of MS Excel were used in the processing of the empirical information.

Main literary and information sources

The dissertation is developed using: scientific publications and works of Kosovo and foreign authors; newsletters of international organizations; reports and bulletins of the Ministry of Agriculture of Kosovo, as well as a number of regulations.

Empirical information about the research is also provided by sample surveys conducted at the level of viticulture on questionnaires prepared by the author.

Volume and structure of the dissertation

The dissertation is presented in an introduction, three chapters and a conclusion, located on 122 pages, used literature and appendices. The study is illustrated with 14 figures and 16 tables and 3 appendices. 142 literature sources are cited.

Content of the dissertation

INTRODUCTION

CHAPTER I. METHODOLOGICAL APPROACH FOR ANALYSIS AND ASSESSMENT OF THE ECONOMIC SUSTAINABILITY OF VINEYARDS

CHAPTER II ANALYSIS OF THE FACTORS DETERMINING THE ECONOMIC SUSTAINABILITY OF VINEYARDS

CHAPTER III. GUIDELINES FOR THE DEVELOPMENT OF ECONOMIC SUSTAINABILITY OF VINEYARDS IN KOSOVO

CONCLUSION

LITERATURE

APPLICATIONS

II. Main content of the dissertation

INTRODUCTION

The introduction presents the state of viticulture in the Republic of Kosovo in recent years, focusing on the reasons for this state. The necessity of the research and its topicality are substantiated.

CHAPTER I. METHODOLOGICAL APPROACH FOR ANALYSIS AND ASSESSMENT OF THE ECONOMIC SUSTAINABILITY OF VINEYARDS

Specifics of the vineyard

The specificity of the vineyard is determined by the following determinants: the participation of vineyards and land in its production, which are the subject and object of labor and natural and climatic conditions. These two determinants form most of the peculiarities in the course of the processes in the viticulture. The vine culture is reproduced both according to the laws of biology and depending on the economic condition of the vineyard, and this duality characterizes the whole reproduction process in the studied system. The participation of the vineyards in the production process and the natural and climatic conditions determine the seasonal nature of the production in the vineyard. The seasonality of production gives rise to the following peculiarities in the processes taking place in this farm:

First: the seasonal nature of production determines discrepancies in the states of cash expenditure and cash flow. Cash flow is relatively stable. This stability arises from the existence of fixed costs that exist, regardless of whether the production subsystem produces output or not. Cash flow is unstable. The instability stems from the uneven inflow of cash income during the year, resulting from the seasonality of sales of products produced by the vineyard. The difference in the state of cash flows is a source of financial instability. This defines the vineyard as less sustainable than other types of farms.

Second: the seasonal nature of production determines the irrational use of the available limited production factors in the vineyard. This is the reason for the difficult and sometimes even impossible observance of the principle of economic expediency (with a minimum of labor costs and means to obtain the maximum result) in the production process.

Third: According to Tsoneva M.¹the seasonal nature of production is the reason for the slowdown in the turnover of capital in the vineyard. This is the reason for the lower investment activity of the vineyard compared to the holdings from other sectors of economic life. Adding the effect of the unpredictable factor of climatic conditions on production, the vineyard is defined as a less attractive economic unit for lending compared to other ones.

The participation of vineyards in the production process gives rise to one of its main characteristics, namely not the coincidence during labor with the production process. There is a time lag between the two processes. If we consider viticulture in time limits, then the time for the individual labor process does not coincide with the time for the production process. The management system of the vineyard purposefully changes the quantitative and qualitative composition of the vine culture, causing various physico-chemical processes in it for the course, which take time. This period of time causes a mismatch during the labor and production process in the vineyard.

The participation of the vine crop in the production process determines difficulties in its mechanization. This is the main reason why vineyards have a lower technical level than other types of farms.

According to Lins D., "the vineyard is one of the few farms using such expensive equipment in such a short period of time during the production cycle." Naneva A., Lyubenov L.,

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Lins, D.Farm management: How to achieve your farm business goals. Washington. 1989. p. 191.

Tsoneva, M. Agricultural policy. Ed. Trakia M, Sofia. 2001. p. 14.

Tasev G³point out that viticulture technology must always be deployed over large areas, unlike industrial activities, where thousands of workers are concentrated per unit area. Vine plants, which are the subject of labor in the vineyard, require the machines to be mobile, unlike industry, for example, where the machines are stationary and the object of labor is mobile (moving from one machine to another). This determines the use of a wide range of high-energy expensive machines that are used unevenly throughout the year. As a result, the equipment available on the vineyard is underused.

The participation of vine plants in the production process in vineyards, the low return on invested capital and the difficult management of profits are the reasons why these farms are among the last to innovate.

The vineyard produces grape products, which are in fact part of the so-called foodstuffs. These goods are vital to society's reproduction. These features determine the inelastic demand and supply of vine products. According to Tsoneva M.⁴the inelastic demand for these products and the time lag in viticulture are the reason for the manifestation of the following paradox: in years with a poor harvest the incomes of the vineyards may be higher than in those with years with a good harvest. The income of the vineyards is a result of the quantity of production sold and the selling price. In bad years, supply is expected to shrink, which has a negative impact on sales revenue, but the selling price increases, which has a positive impact on sales revenue. Ultimately, sales revenues will be higher, as the negative impact of reduced supply is weaker than the positive impact of increased market price. In a good year (natural and climatic conditions favor the production process) the analysis is analogous, but in the opposite direction.

The instability in the processes taking place in the vineyard, as a result of the single and complex influence of the above-mentioned factors, determines the lower incomes for the owners in comparison with those in the other types of farms. The characteristics of grape products as part of food products, the specifics of the current forces in the market of agricultural products, the instability in the income flow, the stability in the flow of expenditure and the climatic conditions determine the more difficult management of the profit of the vineyard unlike other types of farms

The specific features of the production process in the vineyard, and its importance for the development of the economy of each country, determine the need for special measures to regulate it. This is achieved through the implementation of an agrarian policy aimed at equalizing the incomes of the owners of vineyards with the incomes of the owners of production factors invested in other types of farms.

Kanchev I., Mishev P., Tsoneva M. and others. 5 determine that the production subsystem of the wine-growing system has the potential to achieve a synergistic effect. This effect can be significantly increased by correctly predicting the natural and climatic conditions in which the

Tsoneva, M. Agricultural policy. Ed. Trakia M, Sofia. 2001. p. 15.

³ *Нанева, A.* and count. Economics and marketing of agriculture. Ed. RU - A. Kanchev, Ruse. 2004. p. 78.

Kanchev, I., Doichinova, Yu., Tsoneva, M., Makariev, P., Trendafilova, M., Mishev, P. Agrobusiness. Ed. Century 22, Sofia. 1995.

production subsystem operates and the peculiarities of the requirements of the vineyards, which are an element of this subsystem.

According to Kanchev I. Doichinova Yu.⁶ Unlike other types of farms, where the development of production is accompanied by changes in organizational forms and their size, in the vineyard at the same time there are virtually all known to mankind forms of organization of production. The difficult management of the profit, the low technical armament, the nature of the agricultural products, the participation of the vineyards and the natural-climatic conditions are the reason for the diversity in the organizational forms of the vineyard, through which the shortcomings of this type of production are partially overcome.

Economic sustainability of the vineyard

Definitions of the nature of the sustainable state of the wine sector, the main purpose of which is to meet current and future human food needs, currently focus mainly on the three pillars of sustainable development, namely its economic efficiency, environmental compatibility and social responsibility. The multifunctional nature of viticulture, as a dynamic process, simultaneously linked and dependent in time and space on the state and changes in the environment, climate, politics, economy, technology and society as a whole, both at micro and macro level and also, the diverse nature of sustainability creates a wide field for interpretation of the concept of "sustainability of the wine sector". Various social groups, such as farmers, economists, scientists, politicians, according to their individual views, emphasize different aspects and nuances of this concept, which leads to a wide range of pluralism in defining sustainability. This is determined by the fact that while the environmental aspects of sustainability are largely scientifically sound, the socio-economic aspects are rather subjective, rapidly changing and are largely subject to divergent and contradictory views. Very often, sustainable agriculture and in particular viticulture is defined as a package of established agricultural practices within the so-called. "Organic farming", "organic farming", "alternative farming", etc. The sustainability of wine production essentially refers to the ability of this production system to develop at a steady pace, adapting to the ongoing changes in time and space, in relation to the main parameters of its environment, influencing its development. In this regard, the sustainability of the wine sector must be considered in the context of the specific situation and in accordance with current global trends in this type of production.

As already mentioned, viticulture and sustainability are inherently complex concepts, the development of which is influenced by many other factors such as trade, economy, technology, politics, social development. The impact of these parameters on sustainability is manifested at the micro, regional and national levels and is often dynamic and difficult to predict. In this sense, it is very difficult to determine the specific framework of the sustainable state of the industry, based only on the maximum implementation of the three main principles - economic efficiency, environmental compatibility and social responsibility. The choice of a specific approach to ensure a sustainable wine sector must take into account the current situation and the projected changes in biological, socio-economic,

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Kanchev, I. Doichinova, Yu. Agricultural Management - Part I. Ed. University of National and World Economy, Sofia.

25.

The concept of sustainability of agriculture and the food industry and their sub-sectors was further developed at the UN Conference on Environment and Development in Rio de Janeiro in 1992 through the Agenda 21 Action Plan. Contrary to earlier views on the nature and scope of sustainable agriculture, focusing mainly on production technologies, environmental protection and economic development, Agenda 21 focuses on global food security and emphasizes the development of the poor and disadvantaged, rural areas in developing countries. The plan identifies the need for multiple regulations in agricultural, environmental and macroeconomic policy, both nationally and internationally, in both developed and developing countries, in order to create conditions for sustainable agriculture and rural development. The main goal is sustainable growth of food production and increase of food security (UN, 1992). The implementation of the concept of sustainable agriculture in the near future requires the creation of a specific model to replace the current one, based on technological development and industrialization of agricultural production, and the new model will be based on activities protecting the environment and conserving natural resources., ensuring the maximum satisfaction of the growing needs of current and future generations for food. The development of agricultural systems aimed at reducing poverty and improving living standards, especially in environmentally vulnerable and socio-economically backward areas,

Methodical approach of the research

We believe that the systematic approach should be the main methodological approach for analysis and assessment of the economic sustainability of vineyards. The systems approach is a scientific methodology for studying economic systems. As it has already become clear, each system has a certain internal structure and is in constant connection with its surroundings. According to Atanasova, T.7the systematic approach is based on the following principles: purposefulness; integrity; completeness; organization.

We take into account the methodological approach and methods of research, analysis and evaluation with the specific features of the researched industry in Kosovo. The toolkit of a systems approach is systems analysis. It is a set of methods and ways to study processes, phenomena, properties, states, relationships in and between systems.

To determine the degree of use of production resources in vineyards and their economic sustainability, we proceed both from the neoclassical theory of farm activity under market conditions and from the theory of transaction costs. According to the neoclassical theory, the economic sustainability of the economy is considered as a result of the use of the main factors of production - land, labor, capital, without taking into account the imperfection of the institutional environment. It is assumed that the market is in equilibrium, the legislation is adequate and applied according to the rules, the property is protected and there is economic realization.

According to the theory of transaction costs, to determine the economic sustainability of the farm, transaction costs must be taken into account: for the acquisition of information, for negotiation, protection of contractual rights, etc. This type of sustainability is called managerial in the literature because it is related to the performance of management functions.

The complex assessment of economic sustainability is based on economic, technical-economic and financial analysis.

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The economic analysis is aimed at establishing: the resource security of the vineyard (land, machinery, animals, labor, etc.); the productivity of the factors of production, expressed through the natural and value indicators per unit area occupied in production; the final economic results, measured by the aggregate product, the income from the production activity, the gross production, the income from the agricultural activity.

The technical and economic analysis is used to determine the comparative efficiency of individual production plots and vine varieties. The main indicator in the technical and economic analysis is the difference between revenues and variable costs (gross income). A production is efficient and sustainable when the gross income is greater than the fixed costs per unit area or per animal.

The financial analysis is based on four groups of indicators: liquidity, asset efficiency, financial independence and profitability. Each group contains several coefficients. In the analysis we use the coefficient for profitability of production, measured by revenue efficiency, cost efficiency, capital efficiency, measuring return on capital invested in production.

The approach based on the Neoclassical theory in the assessment of the economic sustainability of the vineyard determines the production efficiency, taking into account the productivity (productivity) of the production factors.

Full economic sustainability of the vineyard is established after calculating the management efficiency, which takes into account the impact of transaction costs. The main types of transactions are related to the supply of land, labor, material assets and services, finance and sales of manufactured products, credit supply, marketing, providing information, sanctioning the implementation of contracts and more.

Organization of the research

The subject of our study is the vineyards in Kosovo and their economic sustainability. An agricultural holding is considered to be an agricultural holding, whose main branch is viticulture, ie. viticulture, forms not less than 50% of its cash income. These vineyards must keep accounts according to the Kosovo Accounting Law and have vineyards registered with the Kosovo Ministry of Agriculture. According to Ordinance No. 12 of 19 October 2005 on the terms and conditions for establishing and maintaining a register of vineyards in Kosovo and a specialized map of vineyards issued by the Ministry of Agriculture of Kosovo: a vineyard is a business and technological unit with unified management in one district,

The register of the Ministry of Agriculture was used as a source for forming the sample, in which all registered vineyards as of 31.12.19 are entered. The obtained general population consists of 1280 vineyards located in the following administrative regions - Gnilyanski, Mitrovski, Prizrenski, Pristina and Pechki. In the formation of the sample, the method of simple random sampling was used, as its constituent units were broadcast by irreversible selection. The sample size is 240 vineyards, which manage a total of 16,445 decares, which is 90.5% of the registered vineyard area in Kosovo.

The assessment of the condition and characteristics of the vineyards is carried out on the basis of the indicators: size of the area of the vineyards, number of transactions and investment activity. For a more in-depth study of vineyards and their provision with production resources, they are grouped by the method of statistical groupings. The size of the area of vineyards in the vineyards is used as the main grouping feature. The aim is for the individual groups to have a sufficient number of vineyards to be indicative of the results obtained.

It has already become clear that economic sustainability is a complex and complex economic category. This causes difficulties in determining the indicators for its evaluation. As it became clear in the specialized literature there is no single opinion on the number and composition of indicators for determining the economic sustainability of agricultural holdings. This stems mainly from the differences in the authors' opinions on the nature of the economic category. On the one hand, there is a desire to maximize the characterization of economic sustainability. This leads to an excessive expansion of the number of proposed evaluation indicators, which in turn makes it difficult to use them in practice. On the other hand, there is a desire to develop a separate indicator with which to easily and quickly give a summary assessment of economic sustainability.

The peculiarities of grape production require the development of specific indicators in assessing the economic sustainability of vineyards. The dissertation research uses a methodological approach to assess the economic sustainability of the vineyard, including several factorial indicators and one effective, summary indicator. The logical approach in the selection and division of the indicators into factorial and effective is the following: As the value of the factor indicators increases, the value of the result indicator also increases. A multiplier effect is achieved and the level of economic sustainability of the vineyard is increased and vice versa.

The following factor indicators with high cognitive value are used: age structure of the vineyards, degree of concentration of production, degree of intensification of production, labor productivity, efficiency of direct costs, ratio of selling price and unit cost of production, ratio of variables: fixed costs in overhead costs and economic sustainability index.

The choice of these indicators is justified by the following considerations: The age of the vineyards largely determines their productivity. In order to be able to use the vineyards effectively, it is necessary to maintain the optimal turnover of the vineyards, in order to achieve rhythmic production and a stable average yield over the years, which will ensure first sustainability of income and second economic sustainability of the farm. In infancy / up to 4 years / the vine culture does not bear fruit, and after the expiration of the period of useful action, the yield decreases sharply. The degree of intensification and concentration of production depends on the size and structure of the vineyards in the vineyard. The latter ensure a fuller use of the factors of production, provide economies of scale and affect the efficiency of production and economic sustainability of the economy. The labor productivity indicator (LP) expresses the amount of production per unit of time and gives an idea of the efficient use of labor on the farm as a factor important for achieving economic sustainability of the vineyard.

The efficiency of direct costs (EDC) can be used to judge the effectiveness of the costs invested and the efforts to achieve the objectives of the vineyard. This indicator is one of the main used in determining the economic sustainability of the economy.

The indicator CCP (cost / cost-prize) = price: unit cost determines the ability of the vineyard to realize profitable production.

According to the indicator VFCR (variable: fixed cost ratio) = variables: fixed costs, the degree of saturation of production with capital can be judged. This indicator gives an idea of the degree of adaptability of the vineyard to changes in the environment in which it operates. With a higher share of variable costs than the total investment in production, it is assumed that the vineyard can react more quickly to changes in the environment and vice versa. Therefore, the

higher the value of the VFCR indicator, the higher the degree of adaptability of the vineyard to changes in the environment.

As a summary indicator for characterizing the economic sustainability of the vineyard is used to propose to use: the index of economic sustainability (Index of economic sustainability):

NPP

(1) I es = ----x 100

ONS

where:

I es is an index of economic sustainability;

NPP - net cash flow

ONS - general need for financial resources.

The indicator: relative share of vineyards in productive age (productiveness age of vineyards) is calculated:

(2) PAV = area of vineyards from 4 to 20 years X 100

total area of vineyards on the holding

The indicator: degree of concentration of production is calculated:

(3) COPR = area of vineyards on the holding / decare /

number of vineyards cultivated on the holding

The indicator: degree of intensification of production in the individual vineyard (intensification of production) is calculated:

(4) IOP = production costs in BGN

area of vineyards, in decares

The indicator: labor productivity in the individual vineyard is calculated:

(5) LP = total production in / BGN /

labor cost in / number of man-days /

The indicator: efficiency of direct costs in the individual vineyard is calculated:

(6) EDC = total production, BGN

production costs, BGN

The indicator: ratio of cost of sales: cost per unit of production in the individual vineyard (cost: cost-prize) is calculated:

(7) SSR = realization price - BGN / kg

cost - BGN / kg

The indicator: variable costs: fixed costs in the individual vineyard (variable: fixed costs ratio) is calculated:

(8) VFCR = Variable costs in BGN

Fixed costs in BGN

The following tools are used to account for the impact of each factor on the overall level of economic sustainability in the groups of vineyards:

To account for the influence of productive age vineyards in the vineyard = PAV x 1000

I es

To take into account the influence of the degree of concentration of production in the individual vineyard = $CORP \times 1000$

I es

To account for the impact of the degree of intensification of production in the vineyard = $IOP \times 1000$

I es

To account for the impact of labor productivity on the vineyard: $= LP \times 1000$

I es To take into account the impact of the efficiency of direct costs in the vineyard: = EDC x 1000

I es

To take into account the influence of the ratio sales price: cost of production produced in the individual vineyard: $= SSR \times 1000$

I es

To account for the strength of the influence of the variable / fixed cost ratio in the individual vineyard: = VFCR x 1000.

I es

In order to verify the validity of the conceptual thesis in the dissertation, the studied 240 vineyards are grouped into 4 groups according to the form of ownership and their legal status: vineyards owned by individuals; vineyards registered as sole traders; vineyards, registered as agricultural production cooperatives and vineyards - wineries and wine cellars, registered as Ltd., Ltd. and JSC.

The verification of the validity of the conceptual thesis is performed through a tree of statistical hypotheses. Statistical methods are used: t-criteria for testing hypotheses for the difference between the mean values of two samples, one-way analysis of variance and chi-square analysis.

Proving the authenticity of the conceptual thesis of the dissertation takes place in the following stages:

1) Test hypotheses with the statistical method t-test

 $Hn0\square$ null hypothesis: There is no statistically significant difference between the group averages of the studied indicator in the individual groups of farms.

 $Hn1 \rightarrow$ alternative hypothesis: There is a statistically significant difference between the group averages of the studied indicator in the individual groups of farms

$$n = 1, 2, 3, ... 7.$$

2) Testing of hypotheses by the statistical method one-way analysis of variance:

 $Zn0 \rightarrow$ null hypothesis: There is no statistically significant relationship between the independent variable - type of organizational form of the vineyard and the dependent variable - the value of the indicator used, characterizing the economic sustainability of the vineyard.

 $Zn1 \rightarrow$ alternative hypothesis: There is a statistically significant relationship between the independent variable - type of organizational form of the vineyard and the dependent variable - the value of the indicator used, characterizing the economic sustainability of the vineyard.

 $n = 1, 2, 3, \ldots 8.$

3) Test hypotheses with the statistical method chi square analysis:

 $Xn0 \rightarrow$ null hypothesis: There is no statistically significant relationship between the independent variable - type of organizational form.

 $Xn1 \rightarrow$ alternative hypothesis: There is a statistically significant relationship between the independent variable - type of organizational form of the vineyard and the dependent variable - type of transaction carried out by the farm.

n = 1, 2, 3, 4, 5.

 $Y \rightarrow$ The type of organizational form of the vineyard affects the level of economic sustainability.

A survey method is used to collect the necessary primary information, ie. conducting an extensive interview with the managers of the vineyards. The survey method makes it possible to gather extensive information, giving an idea of the production resources available to the farm and the types of transactions it carries out.

A questionnaire has been developed for conducting a survey of the managers of the vineyards. The questionnaire includes several groups of questions divided into modules:

Questions in Module A: include clarification, clarification of the legal status of the vineyard; initial year of the farm's activity and its location; number of owners and with what property they participate; the way of management, etc.;

Questions in Module B: include specifying the type of ownership of the land managed by the vineyard; size and structure of the managed and arable land; area of vineyards; varietal and age structure of the vineyards and direction of the harvested grape production.

Questions in Module C: specify the amount of costs for ensuring the activities of the vineyard in value terms - material and labor costs; the manner of distribution of the income from the activity.

Questions in Module D: include specifying the amount of grape production on the farm; average yields by vine varieties; cost of production; amount of domestic consumption and amount of commodity production; amount of labor invested in grape production; composition of the labor force - hired and own, permanent and seasonal; number of agricultural machines and attachments; type of irrigation of the vineyards; formation of vineyards; quantity of used fertilizers and RH preparations, etc.

Questions in Module E: specify the ways of financing the activities of the vineyard. CHAPTER II ANALYSIS OF THE FACTORS DETERMINING THE ECONOMIC SUSTAINABILITY OF VINEYARDS

Condition of areas with vineyards

The study found that in viticulture there is small size and fragmentation of vineyards. Most of the vineyards have vineyards located in different places on the territory of the settlement. A higher fragmentation of dessert vineyards prevails compared to wine vineyards.

Leasing of land in viticulture is found in larger vineyards, usually owned by sole traders. By renting agricultural land, small farmers can provide conditions for family work and thus increase the family's income. Due to the specifics of vineyards as perennials, smallholders do not rent land to create vineyards. Large vine growers, especially sole traders, by using leased agricultural land for a longer period of time aim to expand production and ensure a higher return on investment.

There is a tendency with an increase in the size of vineyards to increase the relative share of tenant farms in relation to the total number of vineyards. Large areas of vineyards are grown

Condition of labor resources

One of the main factors for the development of the vineyard is its provision with labor resources corresponding to the production direction and the technical security of the production. The quality composition of the labor resources is vital for achieving the competitiveness of the vineyard.

In the surveyed areas of Kosovo, the agricultural population is 33.3% of the total. The urban population represents 43.5% of the total population, and the semi-urban population 23.2%. About 21% of Kosovo's working population works in agriculture, including and in viticulture.

The number of employees in the surveyed vineyards is 7462. The number of employees (in active working age) from households in vineyards - individuals is 953, which is 13% of the number of employees in vineyards. In sole proprietorships the number of employees is 152 or 2% of the number of employees in the sample of holdings (see Table 2). The ratio of the number of employees from the household to the number of individual vineyards is 2.08: 1. A total of 2163 employees work in the production cooperatives, which is 29% of the employees in the surveyed vineyards. The largest number of employees are in the group of wine cellars and wineries, respectively 4194 units. They occupy 56% of those employed in the surveyed vineyards. In these vineyards the largest size of vineyards is found and accordingly their employment is the highest.

The employment by types of vineyards is considered, as the holdings are differentiated according to the type of employment of the workers, ie. working only in the vineyard, working mainly in the vineyard and working secondarily in the vineyard.

It can be summarized that the largest number of employees is only in the vineyard. In these farms the intensity of use of labor resources is the highest. They are closely specialized, which allows to increase the intensity of use of workers. The distribution of employees is in all types of organizational forms of vineyards. Those working mainly and secondarily in the vineyard are characterized by lower employment. These growers mainly have registered vineyards as natural persons or sole traders. The specialization of labor is lower, they rely on the diversification of their activities in order to maximize the income received.

The age structure of those employed in agriculture and specifically in viticulture is a very important factor for the state of the industry and labor productivity on the farm. The age structure of the population in Kosovo affects the number of people employed in the agricultural sector and in particular in the viticulture sector. The age structure also influences the intensity of the use of labor resources in viticulture. Table 3 shows the relationship between the age structure of employees and their employment in Kosovo's vineyards. The employment of labor resources on the farm is a key factor in increasing labor productivity.

It is established that in all age groups of workers on vineyards there is an overload. In all age groups, the share of farms whose employees invest from 225 to 300 and over 300 man-days is the highest. This is explained on the one hand by the fact that most contractors are also owners in the vineyards, which gives a strong incentive to maximize the use of limited labor resources. On the other hand, the high intensity of labor use is determined by the following factors: shortage of seasonal workers, shortage of specialized agricultural machinery for the needs of viticulture, which determines the application of labor-intensive production technologies in viticulture, etc. The population is aging. engaged in viticulture in Kosovo. Employed aged 25 to 44. in the vineyards they occupy only 21% of the total surveyed farms in the region. The largest share is of those employed in vineyards falling between the ages of 45 and 54, respectively 48.75%.

Provision of vineyards with equipment

The provision of the vineyard with the necessary specialized equipment is a very important factor for the successful implementation of agro-technical measures. The provision of the vineyards with equipment used in the production is monitored. Of the 240 vineyards

surveyed, 196 own tractors, which is 82% of the total holdings. The average supply of vineyards with machinery in Kosovo is 1.45 tractors per 100 decares of arable vineyards.

Of the 196 surveyed vineyards in Kosovo, 15.3% have relatively new equipment - up to 5 years, 17.8% have equipment aged 5 to 10 years, 20.9% have equipment aged 10 to 15 years and 46% obsolete equipment over 15 years. It can be summarized that the vineyards from Kosovo have obsolete and depreciated equipment for the implementation of agro-technical measures for the cultivation of vineyards. For this, a large part of the surveyed farms use mechanized services.

Management cost analysis

The most frequently performed transactions for securing the production are determined: supply of labor, supply of land, supply of mechanized services, supply of credit and sale of the produced products. The choice of these transactions is determined by the following considerations: According to the surveyed managers, these transactions require high costs and efforts to implement them; strongly influenced by the type of organizational form of the vineyard. After specifying the type of transactions used, it is determined which transactions have the highest repetition rate.

The analysis begins by determining the types of transactions in the different groups of vineyards. Using the statistical method chi-square analysis, it is established whether there is an influence of the type of vineyard on the execution of a transaction.

From the performed statistical analysis with the help of chi-square analysis, a statistically significant relationship is established between the type of organizational form of the vineyard and the availability of the above-defined transactions - for labor supply, credit, mechanized services, land and sales. \rightarrow X2empirically> X2theoretically. From this it can be assumed that there is an empirically proven relationship between the type of organizational form of the farm and the number of transactions it carries out.

It can be summarized that the minimization of market risk in the group of vineyards individuals is carried out mainly by providing contracts for the supply of mechanized services, and at an unfavorable purchase price, they prefer to process the harvested grapes. This is evidenced by the low size of commodity production sold by the group of vineyards - individuals. Their strategy for minimizing market risk is by minimizing total economic costs (production and transaction). In this way, these farms retain their semi-market character and become very stable over time. The minimization of the market risk in the group of sole traders is ensured by concluding contracts for supply of mechanized services and for realization of the production. Of the 30 surveyed farms - sole trader, 21 enter into a preliminary contract for the sale of their products during the year. Agricultural production cooperatives minimize market risk by concluding contracts for the sale of products. 47 cooperatives have concluded preliminary contracts for the sale of grapes. The principles of cooperation, according to which these farms are organized, allow to minimize the transaction costs in supplying the production with labor and land. Wineries and wine cellars minimize market risk by concluding contracts for labor supply and loans securing production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. 21 conclude a preliminary contract for the realization of the production produced by them during the year. Agricultural production cooperatives minimize market risk by concluding contracts for the sale of products. 47 cooperatives have concluded preliminary contracts for the sale of grapes. The principles of cooperation, according to which these farms are organized, allow to minimize the transaction costs in supplying the production with labor and land. Wineries and wine cellars minimize market risk by concluding contracts for labor supply and loans securing production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. 21 conclude a preliminary contract for the realization of the production produced by them during the year. Agricultural production cooperatives minimize market risk by concluding contracts for the sale of products. 47 cooperatives have concluded preliminary contracts for the sale of grapes. The principles of cooperation, according to which these farms are organized, allow to minimize the transaction costs in supplying the production with labor and land. Wineries and wine cellars minimize market risk by concluding contracts for labor supply and loans securing production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. by concluding contracts for the realization of the production. 47 cooperatives have concluded preliminary contracts for the sale of grapes. The principles of cooperation, according to which these farms are organized, allow to minimize the transaction costs in supplying the production with labor and land. Wineries and wine cellars minimize market risk by concluding labor supply contracts and loans to secure production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. by concluding contracts for the realization of the production. 47 cooperatives have concluded preliminary contracts for the sale of grapes. The principles of cooperation, according to which these farms are organized, allow to minimize the transaction costs in supplying the production with labor and land. Wineries and wine cellars minimize market risk by concluding labor supply contracts and loans to secure production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. Wineries and wine cellars minimize market risk by concluding contracts for labor supply and loans securing production. It should be noted that in this group the transaction costs for the provision of raw materials are significant. Wineries and wine cellars minimize market risk by concluding labor supply contracts and loans to secure production. It should be noted that in this group the transaction costs for the provision of raw materials are significant.

Analysis and assessment of the economic sustainability of vineyards

Intensification of production. Summarizing the results of the analysis, the polarization of the vineyards by the amount of production is established. In the vineyards of individuals and sole traders it is found that the size of the vineyards is smaller and more fragmented than in the agricultural production cooperatives and wineries and wine cellars. The fragmentation of the first two groups of vineyards can be explained by the lack of financial capacity to consolidate the land and unwillingness to take risks in the direction of expanding the area of vineyards. The highest concentration of areas per unit of viticulture is observed in the group of wineries and wine cellars. These farms have more financial resources and have built mostly new large wine vineyards. It is established that in the case of vineyards - natural persons, there is a desire to create new dessert vineyards. The majority of the wine and dessert vineyards in the agricultural production cooperatives have expired, but the management of this type of farms does not seek to renew them. These organizational forms in theory suggest good opportunities for building and managing vineyards / wine and dessert /, but in practice there is a lower motivation to create new vineyards than in other organizational forms.

From the performed statistical analysis using the methods: t - criteria and one-factor analysis of variance, the following is found: there is a statistically significant relationship between the type of organizational form of the vineyard and the degree of intensification of production.

Concentration of production. The analysis of the degree of concentration and intensification of grape production shows the following: Wineries and wine cellars have the highest level of concentration and intensification of wine production. In these farms the indicators have the highest values of the studied groups of vineyards. Agricultural production cooperatives, although ranked second in terms of the degree of concentration of production, have a lower intensification of production in vineyards than the one established in the group of sole proprietorships. This can be explained by the non-observance of the agrotechnics of growing vineyards and the high share of depreciated vineyards, as well as the low motivation of the cooperative members to work and take risks. The vineyards of natural persons, rank last in the studied indicators - concentration and intensification of wine production, which can be explained by the fact that they have no motivation to expand wine production, do not have the opportunity to mechanize production to a large extent, more emphasis on diversification of its activity. In the case of dessert vineyards, the highest degree of concentration and intensification of grape production was established in the group of vineyards - agricultural production cooperatives. These organizational forms have a well-equipped machine-tractor park and large vineyards, which have an advantage over the farms of individuals and sole traders.

Productivity of labor. The results of the performed one-factor analysis of variance show that there is a statistically significant relationship between the type of organizational form of management of dessert vineyards and the level of labor productivity. With the conditionality caused by the fact that we do not know the strength of the influence of other factors forming the level of labor productivity on the farm and referring to the indicator used - total production per man-day, we can conclude that vineyards - individuals have more -high level of labor productivity in dessert vineyards than other types of vineyards. This may be due to the higher motivation to work in these organizational forms. In the case of vineyards, agricultural production cooperatives have the highest value of the indicator total production in BGN per man-day. Higher labor productivity may be due to the fact that these organizational forms have a higher technical armament of labor. They have the opportunity to realize a growing return on the factor of labor input in production caused by the larger size of the areas of vineyards managed by them. It is interesting that in agricultural production cooperatives in vineyards the labor productivity of the worker significantly exceeds the labor productivity of the worker in wineries and wine cellars, although the latter have at least the same technical equipment and concentration of vineyards. It can be summarized that under these conditions,

<u>Efficiency of direct costs.</u> The efficiency of direct costs characterizes the effectiveness of the costs invested in viticulture by groups of vineyards. This indicator also shows the effectiveness of direct cost management in the various organizational forms, an important factor for the level of competitiveness of production of the studied types of vineyards. The efficiency of direct costs is established as a ratio of direct costs in BGN invested in production and revenues in EUR - a result of the sale of the products of the vineyard.

The highest efficiency of direct costs in the production of wine grapes is in the group of vineyards of individuals, followed by the group of sole traders, followed by agricultural production cooperatives and finally wineries and wineries. The higher efficiency of direct costs in the first two organizational forms can be explained by the higher desire to minimize operating costs, the availability of mutual assistance in carrying out work processes on the cultivation of vineyards, which reduces the share of labor costs in total amount of expenses, higher motivation

for work and profit. Agricultural production cooperatives and wineries have lower efficiency of direct costs in the production of wine grapes, the reasons for this can be found in the poor management of these organizational forms,

<u>Profitability of production.</u> The profitability of production in the types of vineyards is assessed by the ratio of the price to the cost of the produced grape production. The valuation of the harvested grapes in the group of wineries and wine cellars is at market prices. The valuation of the obtained grape production in the other types of vineyards is at the selling price. In those vineyards that have domestic consumption of grape products, its valuation is at market prices. From the performed one-factor analysis of variance it is established a statistically significant relationship between the type of organizational form of the vineyard and the value of the studied indicator - price / cost. → Zempirically > Theoretically. It can be argued that, other things being equal, the organizational form affects the level of profitability of wine grape production.

The profitability of production, estimated by the price / cost indicator, is influenced by two factors, the prices of production and the level of production cost. In Kosovo viticulture, in recent years, there has been a strong fluctuation in the purchase prices of grapes, which creates instability in the income received during the year for growers. This determines the smaller size of vineyards owned by individuals and farms - sole traders. In unfavorable years, the harvest is poor, which affects the purchase prices of grapes, raising them. Then profitable production is realized by those vineyards that have followed the good production practices to ensure high average yields.

<u>Adaptability of vineyards</u>. The degree of adaptability to changes in the environment of vineyards is assessed with the indicator VFCR / variable: fixed costs ratio / ratio of variables to fixed costs in euros.

From the performed one-factor dispersion analysis a statistically significant dependence is established between the type of organizational form of the vineyards and the value of the indicator - VFCR, ie. other things being equal, referring to the indicator used, the organizational form influences the degree of adaptability to changes in the environment of the farm

<u>Level of economic sustainability of farms</u>. The following multiplicative analysis consists in the decomposition of the general index of the phenomenon - result (economic sustainability of vineyards) of individual factor indicators (vineyards in productive age, degree of concentration of production, degree of intensification of production, labor productivity, efficiency of direct costs, SSR and VFCR). The analysis and evaluation of the groups of vineyards with the general index of economic sustainability of the farm aims to reveal their degree of sustainability in both wine and table grape production in the various organizational forms of vineyard management in Kosovo.

The performed one-factor analysis of variance revealed a statistically significant relationship between the type of organizational form of the vineyard and the degree of economic stability in the production of wine grapes.

Summarizing the results, it is found that the highest level of economic sustainability of the farm in the production of wine grapes is found in the group of wineries and wine cellars. These vineyards are more sustainable because they have a high degree of intensification and concentration of production. The second place of the group of sole traders is due to the high share of vineyards in productive age. The third place occupied by agricultural production cooperatives is due to the higher level of labor productivity compared to that reported in other groups of vineyards and the higher share of variable costs of total production costs. The fourth place is

occupied by the group of vineyards of natural persons, which is due to the low degree of intensification and concentration of wine grape production in these organizational forms. It should be noted that the vineyards of individuals have the highest efficiency of direct costs and profitability of production.

The different organizational forms of vineyard management in Kosovo have different potential for achieving economic sustainability in grape production. Each vineyard has a different degree of supply with production factors. The achieved level of competitiveness of the farm is determined by the motivation of the entrepreneur to effectively manage the limited factors of production.

Conclusions

- Viticulture in Kosovo is characterized by small and fragmented ownership of vineyards;
- In Kosovo, vineyards registered as individuals predominate. They manage 62.5% of the registered vineyards in the region. These farms cultivate on average from 8 to 12 decares of wine and dessert vineyards;
- The largest areas of vineyards are owned and managed by wineries and wine cellars. The average size of arable vineyards in these farms is 3353 decares. Most of these vineyards are newly established. Wineries and wineries are also the main beneficiaries of support from the Kosovo Ministry of Agriculture;
- The increase of labor productivity is limited by the low mechanization of labor processes in vineyards. The industry remains highly labor intensive;
- The labor and entrepreneurial resources in the industry are aging. The employed under 44 represent only 21.2% of the total employed. The owners of vineyards under the age of 44 occupy only 21.7% of the total owners of vineyards. There is a shortage of skilled labor due to low wages in the industry;
- The supply with equipment is carried out through the use of own tractors 82% of the vineyards have their own tractors. However, management remains low due to insufficient investment in the purchase of attachments and specialized vineyard equipment;
- The tractors used in the production are depreciated 77% of the used tractors in viticulture are over 10 years of age, in the majority of the farms there is no specialized viticultural equipment. Almost all farms of individuals use specialized mechanized services to perform agro-technical measures for growing vines;
- There is a tendency of non-compliance with the contracts between producers and consumers of grape products in the wine industry. This increases the market risk of the activity. There is a small number of vineyards that have established lasting contractual relationships with certain contractors;
- It is established that in the management of the vineyards the highest intensity of concluding contracts is for delivery of mechanized services and realization of the production. The transaction costs for providing skilled labor, obtaining credit, realization of production and supply of land are significant;
- The purchase price of grapes is low, which leads the majority of vineyards to save some activities on growing vines and thus increase the profitability of production;
- The majority of vineyards owned by individuals prefer to direct the produced products for domestic consumption. This defines them as sustainable semi-market organizational forms;

- The highest investment activity is established in vineyards wineries and wine cellars. Most of them own consolidated newly established vineyards 43% of the total surveyed vineyard area in Kosovo. These vineyards also own 58% of the newly purchased equipment;
- There is a statistically significant relationship between the type of organizational form of the vineyard and the level of economic sustainability of the farm;
- The main sources of economic sustainability of private (sole traders and individuals) vineyards are the strong motivation for work, generated by the ownership of the vineyard, property and other productive resources. They have the highest level of efficiency of direct costs, labor productivity and profitability of production. The advantages in the economic sustainability of agricultural production cooperatives are determined by their high degree of adaptability to changes in the environment. Wineries and wine cellars, which unite the objectives of production and processing of grape products, are characterized by the highest level of economic sustainability. They take advantage of large-scale production.

CHAPTER III. GUIDELINES FOR THE DEVELOPMENT OF ECONOMIC SUSTAINABILITY OF VINEYARDS IN KOSOVO

It was found that in Kosovo the highest share of vineyards owned by individuals. They manage 62.5% of the total registered vineyard areas. This defines these farms as the "backbone" of viticulture in Kosovo. A significant part of the vineyards of natural persons are defined as single-family and manage small size vineyards - an average of 12 decares. The limited size of the vineyards they manage does not allow them to be economically sustainable. The institutional environment in the form of family farm support programs by the Kosovo government in recent years has mainly supported large vineyards. According to the Ministry of Agriculture of the Republic of Kosovo - 85% of the funds under the program for support of agricultural business are spent to support the construction of new vineyards owned by wineries and wineries. These enterprises successfully integrate the production and processing of grapes in order to establish stability in the supply of wine products. The newly built vineyards are still low productivity and insufficient to be able to fill the production capacity of wineries and wine cellars. This leads to a shortage of quality raw materials in the industry. Agricultural production cooperatives own large vineyards that have deteriorated age and varietal structure, built since the time Kosovo was part of Yugoslavia.

The existence of the identified problems hindering the increase of the economic sustainability of the vineyards in Kosovo can be solved through the use of new organizational forms allowing the consolidation of the vineyards and the integration with the processing industry. The organizational form of vineyard management must be such as to allow the optimization of transaction costs of the activity. The consolidation of vineyards is a key factor in increasing the economic sustainability of vineyards. It will lead to economies of scale in grape production.

The following guidelines for increasing the economic sustainability of vineyards are outlined:

- Improving the age structure of the vineyards and conversion of the varietal composition in the direction of expanding the areas of high quality vine varieties.
- Implementation of production technologies, allowing the minimization of production costs.

- Increasing the specialization, intensification and concentration of production in vineyards.
- Increasing the mechanization of the production of wine and dessert grapes in the vineyards. In this way, the shortage of labor resources in Kosovo's viticulture will be partially overcome.

Once we have established that the organizational form affects the economic sustainability of the vineyard, we need to build rational organizational forms that allow to achieve economic sustainability of the vineyards in the Republic of Kosovo.

Theoretical model for increasing economic sustainability

The general conceptual framework of the elements of sustainability in the production system "vineyard" is illustrated in the figure below. It can be used as a basis for the analysis of the sustainability of viticulture in the conditions of constantly changing socio-economic and ecological environment.

It is clear from the figure that the production system "vineyard" is perceived as a complex of certain natural, human, technological and cognitive resources. Biophysical factors arise from the conditions of the local environment (geographical, physical, chemical and biological) in which the vineyard operates and determine specifically the climate, terrain, local flora and fauna, soil type, water sources and others. They place environmental constraints on the activity of the holding, mostly directly related to productivity. Exceeding the set limits can cause adverse effects on the environment and disrupt the sustainability of the production system.

The conditions created under the influence of the human factor of the external socioeconomic environment in which the vineyard operates is a complex of controllable factors, also called "PEST" - factors. They include:

- Political factors (agrarian and other government policies and priorities) (imports, exports, market competition, etc.);
- Economic factors (prices of incoming resources and production, subsidies, credit conditions, etc.)
- Social (consumer preferences of the local population, population density, limited labor resources, skills and knowledge of farmers, value system, etc.).
- Technological (level of the currently applied technology and its supporting services, such as timeliness of supplies of incoming resources, developed infrastructure and markets).

The socio-economic environment influences the activity of the vineyard economy through the emerging relationships between them in the acquisition of input resources and sales. This influence, of course, can be favorable or limit the development of the activity of the production unit. Adverse effects of environmental factors can lead to disruption of the economic sustainability of the production system.

The combination of the positive and negative impact of both the biophysical and socioeconomic factors of the external and internal environment determines four main scenarios, favorable or unsuitable for the sustainable development of the vineyard economy.

CONCLUSION

The existing institutional environment in the viticulture sector leads to a strong polarization of vineyards in the size of arable vineyards. The majority of individuals owned vineyards in Kosovo are single-family and sole proprietors. These farms manage 62.5% of the vineyard area in Kosovo. In these organizational forms, small vineyards are managed - an average

of 12 decares, scattered in several production areas. These organizational forms have a low level of competitiveness. Large vineyards are owned by wineries and wineries, which seek to control the entire production chain raw material - the final product. These organizational forms, due to lack of quality raw materials integrate viticulture and winemaking.

The low investment activity of sole proprietorships and single-family vineyards is explained by the high amount of the necessary initial investment costs for the creation of new vineyards, which are beyond the means of farmers.

The efforts and costs for concluding the main contracts ensuring the functioning of the vineyards are significant.

Empirical research has shown that the organizational form of vineyards affects their level of economic sustainability. In 81% of the statistical hypotheses presented for verification, a statistically significant relationship is found between the type of organizational form and the indicators characterizing the economic sustainability.

From the conclusions of the dissertation, it is clear that increasing the economic sustainability of vineyards in Kosovo is in the consolidation of arable land and integration with the processing industry. This process can take place in two successive stages: of cooperation and integration of grape production and processing. Vineyards owned by individuals may cooperate in wine production cooperatives. Thus, the owners of these enterprises will be able to take advantage of large-scale production. The cooperation will allow reducing the transaction costs for the member enterprises of the cooperative in the supply of credit, land, skilled labor, mechanized services and sales. When introducing a cooperative organizational form, the frequency of concluding contracts for the supply of mechanized services and sales of products will decrease, which will also reduce transaction costs in the industry. Cooperation will lead to increased specialization, intensification and concentration of grape production. The consolidation of the vineyards as a result of the cooperation of the vineyards owned by individuals will lead to the possibility for introduction of innovations in the production, increase of the investment activity in the branch and renewal of the specialized viticultural equipment. A condition for achieving high production efficiency and economic sustainability of the wine production cooperative is the vineyards owned by a member of the cooperatives to be in one land,

The next stage after the construction of the wine production cooperatives is the construction of processing facilities to them, which will turn them into wine enterprises. The formation of many wine cooperatives will allow the establishment of industrial and commodity areas in Kosovo, which will minimize the economic costs of the activity.

Despite the construction of new vineyards, wineries and wine cellars are unable to fill their production capacity and face great difficulties in ensuring rhythm in the production of raw materials. They must either reduce wine production or look for ways to provide more raw material for production. This problem will be solved by expanding the own areas of vineyards, or the establishment of separate vineyards, owned by wineries and wineries, to provide the necessary raw materials.

The consolidation of the vineyards will most likely be left to the action of the market forces and will take more time. The existence of problems between vine growers and winemakers will accelerate the introduction of new organizational forms of vineyard management, which will allow the integration of the goals of the two groups of entrepreneurs. Due to the necessary initial investments for the renovation of existing and for the creation of new vineyards, it will be

mandatory to use the legal forms of vineyards - Ltd. and JSC. They allow the accumulation of the necessary financial resources to ensure the high-cost investment process in viticulture.

IV. Pu		blications								
Nr	Title:	Publication date:	Autors:	Journal:	Volume:	lssue:	Pages:	Points	Authors	Points/Authors
	Marketingu mix si koncept me rendesi I marketingut dhe elaborimi I produktit si faze e rendesishme e marketingut mix	2014	Xhevdet F.Bushi, Besa Zeqiri	The Heritage 13/2014 page 75-105	30		75-105	10	2	5.00
	Menaxhimi I prokurimeve me vlera te mesme pune ne Republiken e Kosoves sipas Ligjit 04/L-042		Xhevdet F.Bushi,	The Heritage 02/2015 page 440-447 (ScFSD15)	7		440-447	10	1	10.00
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	Marketingu I turizmit malor ne Sharr dhe Rodope te Hanit te Elezit	2016	Xhevdet Bushi	International Scientific Journals no.8	14		204-212	10	1	10.00
	Marketing as a Factor for Development of SME in Kosovo - IMPACT FACTOR	2020	Dzevdet Bushi	Insitute of Knowledge Management (vol.38,5) Skopje 2020	4		1337-1340			

V. Contributions

The following contribution moments of scientific and applied nature can be highlighted in the dissertation:

- 1. The essence of the vineyard and the management of its economic sustainability is clarified;
- **2.** A conceptual framework for assessing the economic sustainability of the vineyard has been developed;
- **3.** The level of economic sustainability of vineyards as well as the factors that determine it are analyzed and assessed;
 - **4.** A theoretical model for increasing the sectoral sustainability as well as a model of

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