

The Youth's Perception of Migration in Bosnia and Herzegovina

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Abstract: *Migration, in a simple definition, is the movement of people from one country to another. One of the major problems in Bosnia and Herzegovina (BiH) is youth migration. Young people from BiH mostly migrate to European countries. Factors which have an influence on the youth migration and relationship between demographic differences, as well as the tendency of the youth to emigrate have attracted a great curiosity. The purpose of this study is to examine the perceptions of the youth about determinants of migration as well as the relationship between demographic variables and immigration tendency. Using the survey method, 207 responses were collected from the youth in BiH. Descriptive analysis, one-sample, and independent sample t-test were constructed to analyze data. The results have showed that the perceptions of the youth about job opportunities in BiH and approach of officials towards young people are negative. However, study results show that younger group of young people with less education have a greater tendency to emigrate.*

Keywords: *migration, Bosnia and Herzegovina, the youth*

Introduction

Migration can simply be defined as the movement of people from one country to another. Of the two types of migration, emigration represents the departure of people from one country in order to reside in the other. Brain drain is more specific term used in relation to emigration. It is

defined as “a significant emigration of educated or talented individuals.”²⁷ In other words, it is “the migration of highly educated labor force from developing to developed countries” (Stankovic, Angelova, Janeska, & Stankovic, 2013, p. 1). Brain drain usually relates to graduate students, who face problems when they search for employment after completing their studies (Cymanow, Florek-Paszowska, 2014).

In recent years, when transportation has become more available and advancements of certain countries are highly apparent as opposed to others, brain drain has become an agenda. People tend to leave their countries because of pull or push factors. Those factors can be of several sorts, such as social, political, economic, industrial, or cultural factors (Thet, 2014). However, emigration of youth may pose an even bigger problem. Young people are looking for opportunities, and in case that they cannot find them in their home countries, they are usually not willing to sacrifice their own well-being due to patriotism.

In Bosnia and Herzegovina (BiH), youth brain drain has become one of the major problems. In 2013, it was reported that around 150.000 young people have left the country since the end of the war in 1995, and about 10.000 decide to leave it every year²⁸. BiH is “the fifth worst country in the world in terms of brain drain,”²⁹ according to the World Economic Forum. Young people are usually unwilling to accept the fact that they have to deal with some basic issues of this country, such as corruption, unemployment, low wages, poor economy, etc., and instead choose to build their lives elsewhere. There are many factors which contribute to emigration of youth. Therefore, this study aims to investigate the perception of young people living in BiH about basic determinants of migration.

The purpose of this research is to examine the perceptions of youth about migration in BiH. It specifically focuses on the youth reasoning of the brain drain and its determinants. Moreover, it tries to determine whether there are any differences in youth’s perceptions according to demographic factors.

Literature Review

In recent years, with a huge increase in technological improvements and its reflection on transportation, migration and related terms have been an agenda of the world. Migration is the movement of people from one country to another. International migration is the movement of people across international boundaries, which has great economic, social, and cultural implications in both origin and destination countries (Docquier et al., 2006). Another term used

²⁷ Obtained from Investopedia: http://www.investopedia.com/terms/b/brain_drain.asp (Aug 13, 2016)

²⁸ Obtained from Balkan Insight: <http://www.balkaninsight.com/en/article/young-people-leave-serbia-bosnia-the-most> (Aug 7, 2016)

²⁹ Obtained from Balkan Insight: <http://www.balkaninsight.com/en/article/mass-depopulation-threatens-bosnia-s-future> (Aug 7, 2016)

to refer to the international transfer of resources in the form of human capital and which has the aforementioned implications particularly in origin countries is called brain drain (Stankovic et al., 2013).

Group of people which has been influenced by migration is undoubtedly young generation. Migration of youth has long even occurred as a part of a collective family strategy in search of educational and internship opportunities (UNFPA 2006). Although there are many studies conducted with regard to the migration, those which have focused on youth migration are still limited. Nevertheless, Juárez et al. (2013) analyzed youth migration and its consequences for the various other transitions to adulthood, including reproductive outcomes, educational, employment, and marital outcomes, as well as specific strategies underlying migration and its consequences. In another research, Cymanow and Florek-Paszowska (2014) analyze a potential scale of internal and external migrations, assess the importance of factors determining the selection of migration destination, and the importance of elements affecting the nature of the undertaken jobs, taking into account payroll expectations of potential migrants in Poland.

Research Questions

According to the literature above, following research questions can be posited:

Research question 1: In overall, do the youth perceive youth migration to be positive in BiH?

Research question 2: How do the youth evaluate the determinants of the youth migration?

Research question 3: Are there any differences in youth' perceptions according to age, gender, education, marriage, and their parents' company ownership and income?

Research Method

Survey Instrument

A two-page questionnaire with three parts was used to collect data. The first part of the questionnaire included several questions about general characteristics of the youth and their tendency to migrate. To put it succinctly, this part included demographic questions such as age, gender, education, company ownership of parents, and overall perceptions of young people about migration. In the second part, four questions were asked with regard to the perceptions of the youth participants about migration of young people from BiH. The third part included 16 questions that dealt with the youth's perceptions about the determinants of migration and its destination. The questions in the second and third parts were adapted from Cymanow and Florek-Paszowska (2014)'s study and were measured using 5-point Likert scale (5 = strongly agree; 1 = strongly disagree). The questionnaire was initially prepared in English and then translated into the Bosnian language. The translation of the questionnaire was done by experts who are fluent in both languages and their respective cultures. A pilot study of the questionnaire was done with 20 young participants studying at a private university. The purpose of pilot testing

was to evaluate the validity of the survey. The questions which were not understood clearly were reevaluated and finalized for data collection.

Data Collection

The study used online and printed questionnaire survey to collect data. In order to enable a better generalization of research results, the study targeted young people in two large cities in BiH: Sarajevo, the capital city and Tuzla. A total of 200 questionnaires were distributed to students from a public and private high school as well as a public and private university in Sarajevo and Tuzla. A formal research approval was obtained from the administration of each examined schools and universities. The purpose of the study was initially explained to potential participants in order to encourage students' voluntary participation, and to guarantee the anonymity of participants. The questionnaires were distributed to students who agreed to participate in the research. The overall number of the completed printed version of surveys which could be used was 108. With 99 online completed surveys, 207 questionnaires which could be used for this study were collected in total.

Data Analysis

Demographic information and overall perceptions of young people about migration were analyzed through frequency and descriptive statistics. Perceptions of the youth participants about migration of young people from BiH and questions about the youth's perceptions with regard to the determinants of migration and its destination were analyzed with one sample t-test. In one sample t-test, means were compared with the mid-point of the scale that is 3. Finally, differences in youth' perceptions according to sample demographic characteristics such as age, gender, education, marriage, and company ownership of their parents and income were analyzed with an independent sample t-tests.

Results

Sample Characteristics

A summary of the sample characteristics is presented in Table 1. The majority of the sample (60.4 %) were females in 18-21 age group with completed high school education. The majority's family (78.3 %) did not own a company. The predominant amount of the young respondents' family (62.3 %) were planning to leave the country in the future.

Research Question One

In research question one, the study purpose was to measure the youth's overall perception about migration of young people in BiH. The result of the sample t-test where the scale's mid-point (3) was taken as the test value, demonstrated that the youth do not agree with the statements that "this country provides enough opportunities for youth employment" ($M = 1.83$, $SD = .94$, $t = -17.8$, $p = .001$) and "opinions of young people are respected in this country" ($M = 1.88$, $SD = .79$, $t = -20.3$, $p = .001$). Nevertheless, they agree with the statement that "if I was more respected and given opportunities for job, I would stay in my country" ($M = 3.91$, $SD = 1.26$, $t = 10.3$, $p = .001$). Results are summarized in Table 2. As demonstrated in the table, respondents are not positive about approach of BiH towards the youth which shows a positive attitude towards their migration.

Table 1 Sample Characteristics

Variable	Demographics	Number	Valid Percent
Age	Under 18 years	36	17.4
	18-21 years	94	45.4
	21-23 years	50	24.2
	Over 23 years	27	13.0
Gender	Male	82	39.6
	Female	125	60.4
Marital status	Yes	12	5.8
	No	195	94.2
Education level	High school	119	57.5
	Bachelor degree	75	36.2
	Master	13	6.3
Company	Yes	45	21.7
	No	162	78.3
Planning to leave the country	Yes	129	62.3
	No	78	37.7
Average Income	0-540 USD	47	22.7
	540-810 USD	62	30.0
	810-1081 USD	34	16.4
	Over 1081 USD	64	30.9
Parents status	Married living together	177	85.5

Married living separately	6	2.9
Divorced	6	2.9
Single parent	16	7.7
Other	2	1.0

Research Question Two

In the second research question, the purpose was to measure evaluations of young people about the determinants of the youth migration. Consistency of the items was analyzed by using reliability analysis, and Cronbach’s alpha values are indicated in Table 2. All the reliability coefficients are above the accepted level (.70). The results are summarized in Table 3. As presented in the table, “difficulties with finding a job in the home country” (M = 4.23, p = .001) was determinant with the highest rate. Better employment terms in the emigrated country was also rated as the second most highly rated determinant (M = 4.20, p = .001). It was followed by the possibility of earning a higher remuneration in the emigrated country (M = 4.11, p = .001). Regarding determinants of the youth migration destination, respondents rated “earnings” in the emigrated country the highest (M = 4.20, p = .001). It was followed by “getting a job easily” in emigrated country (M = 4.18, p = .001).

Table 2 One sample t-test for perceptions of youth about migration of youth (Test value =3)

	N	Mean	SD	t-value	p-value
This country provides enough opportunities for youth employment.	207	1.83	0.94	-17.84	.000
Opinions of young people are respected in this country.	207	1.88	0.79	-20.30	.000
Youth employment is more important than elder people employment in this country.	207	2.89	1.31	-1.21	.224
If I was more respected and given opportunities for job, I would stay in my country.	207	3.91	1.26	10.33	.000

NOTE: Cronbach’s alpha value for the four items is .40

Research Question Three

In the third research question, the purpose was to compare the youth’s perceptions in terms of their age, gender, education, marriage, and company ownership of their parents and income. Demographic variables are recoded into two groups in order to simplify the analysis. The results

are summarized in Table 4. As demonstrated in the table, no significant differences occur between different demographic groups of participants.

Table 3 One sample t-test for determinants of migration (Test value =3)

<i>Determinant of migration</i>	N	Mean	SD	t-value	p-value
Possibility of earning a higher remuneration than in the home country	207	4.11	0.97	16.54	.000
Difficulties with finding a job in the home country	207	4.23	0.91	19.58	.000
Guaranteed employment abroad	207	3.98	0.97	14.54	.000
Employment terms better than in the home country	207	4.20	0.86	20.18	.000
Acquiring professional experience	207	4.00	1.02	14.08	.000
Improving qualifications	207	3.97	0.97	14.30	.000
Possibility of learning a foreign language	207	3.95	1.11	12.34	.000
Willingness to experience another country	207	3.29	1.31	3.19	.002
<i>Determinant of migration destination</i>					
Distance of the migration destination from the home country	207	2.63	1.24	-4.26	.000
Earnings	207	4.20	0.91	18.93	.000
Getting a job with ease	207	4.18	0.85	19.85	.000
Family presence	207	3.42	1.11	5.46	.000
Presence of friends	207	3.07	1.15	0.85	.399
Historic events	207	2.23	1.03	-10.75	.000
Attitude toward your citizenship	207	3.02	1.18	0.24	.814
Threat of terrorist attacks	207	2.95	1.32	-0.52	.600

NOTE: Cronbach's alpha values for the eight items about determinants of migration and the eight items about determinants of migration destination are .80 and .75 respectively.

Discussion

This study attempted to examine the perceptions of youth about migration in BiH. More specifically, it focused on the youth perception of the migration, its determinants, and differences in their perceptions according to demographic factors. The study results demonstrate that the perceptions of the youth about job opportunities and approach of officials toward young people in BiH are not positive. Moreover, the results show that difficulties in finding a job in BiH, better employment terms, and earning a higher remuneration possibility in emigrated countries are several important determinants that motivate the youth to go abroad.

Table 4 Independent samples t-test for sample demographics

Variable	Demographics	N	Mean	SD	t-value	p-value
<i>Age</i>	18-21 years	130	1.35	0.48	-0.88	0.38
	21 and older	77	1.42	0.50		
<i>Average income</i>	0-810 USD	109	1.37	0.49	-0.13	0.90
	810 USD or higher	98	1.38	0.49		
<i>Education level</i>	high school	119	1.35	0.48	-0.82	0.41
	higher education	88	1.41	0.49		
<i>Gender</i>	male	82	1.39	0.49	0.32	0.75
	female	125	1.37	0.48		
<i>Marital status</i>	yes	12	1.42	0.51	0.29	0.77
	no	195	1.37	0.49		
<i>Company</i>	yes	45	1.44	0.50	1.06	0.29
	no	162	1.36	0.48		

One of the findings which attracts attention in the study is negative perception of the youth about employment opportunities for the youth provided by BiH. The higher mean values on difficulties in finding a job in home country and better employment terms in emigrated countries also support that finding. This result is mostly related to the study context. After the ethnic and political tensions of the 1990s, the Dayton agreement which made BiH a federation including three ethnic communities namely Bosniaks, Croats, and Serbs was signed in 1996. Devastated factories and companies have been repaired, and new private and public institutions have been founded. The majority of large scale businesses in the country are mainly international (Dinc and Duman, 2012). Despite all these improvements, BiH's development is very slow and it is still in a transition period. General perception for the reason of this slow improvement is the central government with a rotating, tripartite presidency and its heavy bureaucracy (Dinc and Huric, 2016). Therefore, people, especially the youth in BiH, has a prejudice and do not see their future in this country. However, high unemployment rate which is 44.86% in BiH³⁰ is another factor that motivate the youth to immigrate to developed countries.

³⁰ Obtained from the website <http://www.tradingeconomics.com/bosnia-and-herzegovina/unemployment-rate>

Conclusion and Limitations

The purpose of this study was to analyze perceptions of youth about migration, in particular, determinants of migration and differences in their perceptions in terms of demographic factors. The results showed that since the youth do not trust in employment opportunities in BiH, they have tendency to pursue finding a job in developed countries. These findings of the study suggest that government of BiH should focus more on the employment facilities for the youth. It can also put some regulations to decrease a heavy bureaucracy for foreign and local investors in order for them to do more investments and offer more job opportunities to the youth.

There are several limitations in this study. Firstly, the results found in this research come from a limited sample. Surveys with higher sample size may give some different results. Therefore, future studies should be conducted in other cities of BiH. Secondly, self-reported issue may be another limitation of this study. Finally, the insufficient literature and methodology can be constraints of the study. Future studies should add some other variables and utilize some other statistical methods to find the relationship among variables.

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An Analysis of the Factors Determining the Working Capital Requirement for Non-Financial Companies

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The main purpose of this study is to investigate the factors determining the working capital requirement of firms. Companies require working capital to improve the capacity, expand the business volume, reduce the risk of failing to meet their financial obligations, and become profitable and efficient. An inadequacy of the working capital causes interruptions in the business operations. This study investigates the determining factors of the working capital requirements of non-financial companies. The research analysis was done on publicly traded firms, and the data was collected from BIST-100 in Turkey for the years between 2011 and 2016. In this study, working capital requirement was used as the dependent variable. Factors such as profitability, leverage, growth, firm size, age and industry were tested as determining factors. PLS-SEM technique is employed in the research. Results reveal that two explanatory variables- company's leverage, and profitability- are significant factors that determine the companies' working capital requirements for the period under study.

Key words: *Working Capital Requirement, Profitability, Leverage, Growth, Size, Age, Industry*

Introduction

Managing the financial needs and operations of any business is very important to the management of the company, as it has an effect on both the company's profits and liquid assets. The literature on business finance focuses on three key areas. These are capital budgeting, capital structure, and working capital management. Capital budgeting and capital structure concerns long-term investment and financing decisions. Working capital management can be expressed as the short-term investments of firms and the selection and management of financial strategies in these investment decisions.

If there is not enough working capital to fulfill the obligations of a company, it may cause financial insolvency, legal problems, and liquidation of assets (Hawley, 2015). For this reason, it is very important for all enterprises to have sufficient management of their working capital.