FIGHTING WITH POORNESS IN BOSNIA AND HERZEGOVINA

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ABSTRACT

This topic will help me to understand the political statements, how generally “political world“ in our county is fighting with poorness, how to increase employment. How to help people who survive the war, who survive flooding, and any kind of poorness, how to stop that and how to growth economy, agriculture, forestry, farming, agronomy, tourism. Two main problems we will focus on it are increasing VAT and improve tourism as a two ways of fighting the poorness. For the needs of this research, we have collected responses from 160 people, both males and females. Their responses were collected and later we analyzed them in IBM SPSS software. The obtained data helped us to better understand and to develop possible theories regarding the bad economic situation in Bosnia and Herzegovina and possible ways to fight poverty.

Keywords: poorness, economic condition, working condition, employment.

Introduction

The motivation behind why I pick this subject lies in a truth that I needed to investigate more about hard financial circumstance which my nation is experiencing. The boundless neediness in Bosnia-Herzegovina is to a great extent a result of the war and the troublesome move of a previous comrade state to a business sector economy. The late war essentially done a broad harms and prompted high unemployment rate.

Prompt recreation endeavors which happened after the war were fundamentally centered on urban regions. In spite of the way that numerous swung to cultivating to bring home the bacon after the war, in 2005 just 50% of the area was under development, regularly in light of the fact that state-claimed area was anticipating privatization or in light of the fact that the vast majority of the arable area is inadequately inundated, needs surge insurance or is plagued with area mines. Bosnia-Herzegovina has a constrained base of assets. Ranch possessions are restricted, efficiency levels are low and earnings from most homesteads are small. Despite the fact that dairy cultivating is the primary undertaking, the normal number of dairy bovines per ranch speaks the truth two. At present most ranchers are subsistence-arranged. The recuperation of agribusiness has been thwarted by poor base, absence of access to bolster administrations and account, and insufficient linkages to preparing commercial ventures and markets.

**Types of poverty**

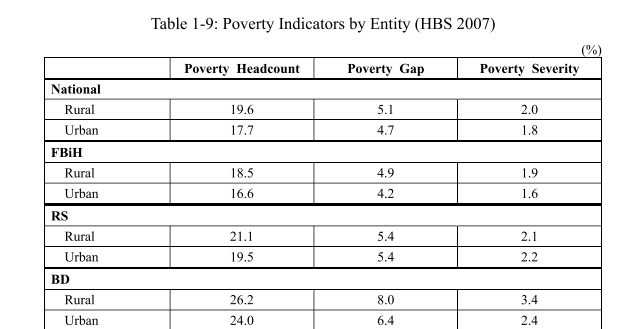
"The JICA Thematic Guidelines: Poverty Reduction"1, which was amended in 2009, mentions concepts and meanings of neediness. From a functional perspective, universal society has been endeavoring to quantify neediness in light of diverse ideas as beneath, which create distinctive estimations or investigations. There are Absolute Poverty (the pay or utilization status of a family unit which can't bear the cost of the base calorie admission for survival and other essential human needs), Relative Poverty (the salary or utilization status of a family unit which is lower than the dominant part of the populace in a nation or district. Individuals avoided from the general change in expectations for everyday comforts considering social and social elements), Human Poverty (Those denied open doors and decisions for a nice standard of living and limitations against moving out of destitution) and Social Exclusion ( Those denied of rights to solidarity and conjunction).

Income Poverty Analysis

Bosnia and Herzegovina (BiH) is a republican state which is made out of two exceptionally decentralized substances, the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS). In 2006, Brcko District (BD) was given equivalent status to the two entities.

**T**he neediness examinations of Bosnia and Herzegovina (BiH) depend on family unit information, including the Living Standard Measurement Surveys (LSMS)3 and the Household Budget Surveys (HBS). Under association with the Department for International Development, UK (DFID), LSMSs were executed from 2001 to 2004, and HBSs in 2004 and 2007. As far as LSMSs4, World Bank (WB) specialists likewise gave support through specialized guidance and different commitments. Since the LSMSs gathered board information from around 3,000 families for back to back years from 2001 to 2004, the arrangement's consequences of reviews are exceptionally equivalent. Then again, the last two studies of HBS 2004 and 2007 are not practically identical. This is a direct result of contrasts in inspecting procedures and journey nt destitution examination is the WB neediness appraisal (2009)8 depends on HBS data +with the essential modification. This made a correlation of neediness and disparity markers between HBS 2004 and 2007 and in addition the consequences of wage destitution estimation taking into account the LSMS information and the HBS information. This destitution profile surveys the neediness circumstance in Kosovo, concentrating on "pay neediness" and" non-pay neediness" and considering the ideas and meanings of poverty.

TABLE 2.4. Poverty indicators by Entity



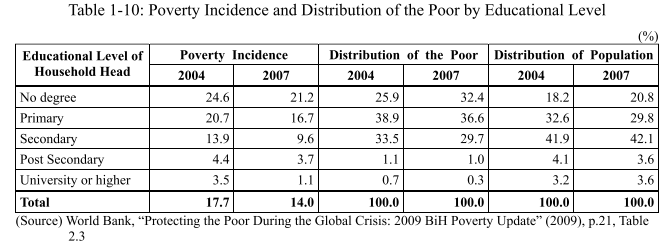
(Source) HBAS, FBiH Federal Office of Statistics, RSIS, “HBS 2007 Poverty and living Conditions” (2007), p.24-25, Table 7A and 7B

**Poverty Trends by Socio-economic Characteristic**

Education

This table demonstrates the destitution rate and the poor's appropriation by instructive level of family head. The neediness occurrence varies as indicated by the instructive level of the family unit head. In 2007, the most elevated destitution rate of 21.2% was for the gathering of family unit heads with no degree and the least proportion, of 1.1%, was for the gathering of family unit heads with college or advanced education. At the end of the day, family unit heads with a higher instructive level have a lower danger of destitution. Give or take 70% of the heads of poor families have just essential training or no degree. Around 33% of the heads of poor families have optional instruction, however the destitution rate for family unit heads with auxiliary training is under 10%. This is on the grounds that more than 40% of the populace accomplishes auxiliary instruction. In spite of the fact that neediness occurrence for all gatherings by instructive level lessened, the offer of family unit heads with no degree in the poor populace extended from 25.9% to 32.4% for the period somewhere around 2004 and 2007.

TABLE 2.5. Poverty Incidence and Distribution



Employment Status of Household Heads

By work status, the unemployed have the most elevated destitution rate, which declined 30.5% in 2004 to 20.2% in 2007. The independently employed have a high destitution proportion. This expanded to 15.9% from 11.6% amid the same period. Then again, most of the poor are representatives which represent 38% of the aggregate populace. The offer of workers in poor people populace is 30.2%, in spite of the fact that their destitution rate is just 11.1%. Resigned persons are additionally another substantial gathering inside of poor people. In 2007, their offer of poor people populace was 25% and their destitution frequency was 13.3%.

From the measurement of human advancement, the populace's helplessness in the nation slowly made strides. HDI of the nation expanded 0.793 in 2003 to 0.814 in 2008. Most markers for HDI enhanced, aside from grown-up education, which enhanced from 2003 to 2004, and somewhat diminished in 2008. The change of the instructive pointer and GDP per capita added to the general HDI in the nation. By universal examination with 2007 information, HDI of BiH was 0.812, with a rank of 76th among 182 nations. Contrasting this and neighboring nations, Serbia and Albania had HDI of 0.826 positioned at 67th and 0.818 positioned at 70th, separately. The level and positioning of HDI for BiH was marginally lower than those two nations. Nonetheless, in BiH, some information is flawed on reference pointers for HDI, for example, future during childbirth, because of the absence of late populace censuses mirroring the present demographic circumstance. Indeed, even still, there may not be significant crevices in HDI among the three nations. Demonstrates that the populace's division with human neediness expanded over the five years. This is for the most part in light of an increment in long haul unemployment. The salary destitution rate, and the grown-up lack of education proportion stayed at very nearly the same level and the likelihood of not getting by over the age of 60 enhanced from 13.6% to 12.68%. Nonetheless, the long haul unemployment rate fundamentally weakened from 12.3% to 20.22%. In this way, in BiH, long haul unemployment can said to be a noteworthy danger for the populace in bringing human destitution.

**Residential Factors**

There are two principle issues of government fund in BiH: no substantial national technique and awkward and too much decentralized open organization structures. In view of no substantial national method, the relationship between vital needs and spending plan distribution or consumption is not clear. Despite the fact that the Government of BiH is presently in the advancement procedure of new methods, the Country Development Strategy (CDS) and the Social Inclusion Strategy (SIS), for the period 2008-2013, these have not yet been formally endorsed. As per the UN Common Country Assessment (CCA) 2008 for BiH, the proposed objectives of CDS are as taken after: Strengthening of macroeconomic soundness, Sustainable improvement, Competitiveness, Employment, EU joining; and Social incorporation.

**Methodology**

In this research we made a survey and we asked participants their opinion regarding the topic “HOW TO FIGHT WITH POORNESS WITH RULAR BUSINESSES IN BOSNIA AND HERZEGOVINA? “

Subjects for this researchare individuals from public area. A total number of participants in the current study is 160. Survey forms will be distributed to the participants online via internet. It will need approximately 15 minutes to answer all questions from the survey. There are 30 survey questions.

For this research we wanted to find more data about ways to fight with poorness in Bosnia and Herzegovina. For this research we analyzed and make a task to analyze and to proper test the topic how to fight with poorness in Bosnia and Herzegovina. For the purpose of this topic we discovered following hypothesis:

H1: Opinion of people who are willing to increase VAT on cigarettes and alcohol is dependent on their education level.

H2: People who are ready to increase VAT is dependent on the monthly income.

H3: There is relation between socio-economic status and monthly income.

H4: There is a relation between monthly income and support to increase VAT.

H5: There is a relation between socio economic status and age

**Results**

In this section our hypothesis will be stated, tested, and comments for each hypothesis will be given. This section consist from the data obtained. There are all tables extracted from IBM SPSS (Statistical Package for the Social Sciences) which are relevant to the given hypotheses.

**H1: Opinion of people who are willing to increase VAT on cigarettes and alcohol is dependent on their education level.**

From the following table we can analyze its significance. Since the significance level is 0.007 which is less than 0.05 what means that our hypothesis is accepted. This means that people who are willing to increase VAT on cigarettes and alcohol is dependent on their education level. Our hypothesis H1 is accepted.

TABLE Coefficients

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 1.452 | .223 |  | 6.520 | .000 |
| vat\_salary\_2000 | .428 | .156 | .218 | 2.733 | .007 |
| a. Dependent Variable: education\_level | | | | | | |

**H2: People who are ready to increase VAT is dependent on the monthly income.**

From the table 2. we can analyze significance level which is 0.002 which is less than 0.05 what means that our hypothesis H2 is accepted. This means that opinion of the people to increase VAT is dependent on the monthly income.

TABLE Coefficients

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 2.830 | .187 |  | 15.147 | .000 |
| support\_increase\_vat | -.487 | .151 | -.252 | -3.230 | .002 |
| a. Dependent Variable: monthly\_income | | | | | | |

**H3: There is relation between socio-economic status and monthly income.**

From the following table, we analyzed positive relation between monthly income and socio-economic status. With the significance level of 0.000 which is less than 10 % we accept our hypothesis. H3 is accepted.

TABLE Correlations

|  |  |  |  |
| --- | --- | --- | --- |
|  | | socio\_eco\_status | monthly\_income |
| socio\_eco\_status | Pearson Correlation | 1 | .435\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 160 | 160 |
| monthly\_income | Pearson Correlation | .435\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 160 | 160 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

**H4: There is a relation between monthly income and support to increase VAT.**

There is a negative relation between monthly income and supporting increase of VAT. With the significance level of 0.002 which is less than 10% we accept our hypothesis. H4 is accepted.

TABLE Correlations

|  |  |  |  |
| --- | --- | --- | --- |
|  | | monthly\_income | support\_increase\_vat |
| monthly\_income | Pearson Correlation | 1 | -.252\*\* |
| Sig. (2-tailed) |  | .002 |
| N | 160 | 156 |
| support\_increase\_vat | Pearson Correlation | -.252\*\* | 1 |
| Sig. (2-tailed) | .002 |  |
| N | 156 | 156 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

**H5: There is a relation between socio economic status and age.**

From the following table we analyzed significance between age and socio-economic status. With the significance level of 0.000 which is less than 10 % we accept H5 hypothesis.

TABLE Correlations

|  |  |  |  |
| --- | --- | --- | --- |
|  | | socio\_eco\_status | age |
| socio\_eco\_status | Pearson Correlation | 1 | -.414\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 160 | 156 |
| age | Pearson Correlation | -.414\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 156 | 156 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | |

FIGURE Gender

In the figure 1 we can see descriptive statistics for gender structure of our research. We can see that males are represented by 53 % and females by 47%.

FIGURE Monthly income

In this figure we can see earnings of participants. Most of them earn more than 1000 KM.

FIGURE Education

In the figure three we can see education level of participants. Most of them are undergraduate level with the 55 %. Next on the list are high school participants with the 28%. After comes master level with the 12% and there are 5% participants who do not find themselves among these three options.

Discussion

For the needs of this research, we have collected responses from 160 people, both males and females. Their responses were collected and later we analyzed them in IBM SPSS software. The obtained data helped us to better understand and to develop possible theories regarding the bad economic situation in Bosnia and Herzegovina and possible ways to fight powety. For purpose of this research, there have been 5 additional hypothesis found. These data were obtained from the given questionnaire which consists of 30 questions. Survey was formed in order to test public opinion and to get possible discussion questions which can serve for the future researches. One of the main questions in this research was what the reasons are for current economic situation in Bosnia and Herzegovina is good. From the analyzed data we concluded, that great number of people support increase of VAT on the luxury goods such as cigarettes and alcohol. We also have found relations positive and negative among variables in this research. These relations will help us better understand independent variables and their interaction. We have also need to mention regression analysis which have been conducted for the obtained data. In this analysis we observed one dependent and one independent variable and tried to make a connection between them and to better explain relation which exists among them.

Conclusion

Destitution is far reaching all through the nation however is more intense in country districts, particularly previous bleeding edge regions.

Ladies have been especially influenced by the breakdown of social union and the descending winding into destitution. Since the war, the quantity of family units headed by ladies has expanded to one in four. These families are at more serious danger of destitution. Ladies need access to land, aptitudes preparing, accounts and hardware. They are frequently denied cooperation in political choice making despite the fact that they regularly expect obligation regarding the family's survival. Ladies make up just 35 for every penny of utilized Bosnians, and ladies who are utilized face separation and get lower wages.

Since the war's end, Bosnia has turned into a nation of travel and destination for ladies from eastern and focal European nations who are constrained or misled into prostitution. Numerous defenseless ladies and young ladies have been simple prey for the individuals who activity in ladies from these nations.

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