

The impact of self-employment projects on employment: analysis of motivation and effectiveness

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Abstract: Nowadays, employment is a key topic. Throughout history, self-employment projects have been developed for different populations, with the aim of establishing their own companies. These projects in Bosnia and Herzegovina are categorized into four groups, depending on the source of financing. This paper is focused on the analysis of the impact of these projects on the employment rate, program efficiency, sustainability, and success after implementation. The research includes respondents who applied for various self-employment projects in Herzegovina-Neretva Canton. The results confirm that motivation is key to realization, especially motivation for self-employment that stems from expectations. The research revealed new information that may change the perception of the government and other interest groups towards self-employment projects. The most popular programs are financed by non-governmental organizations, but most respondents believe that the funds are not fairly distributed. Regression analysis confirmed that an individual's entrepreneurial motivation is key to the decision on self-employment, which is encouraged by self-employment projects. The research results provide evidence on the effectiveness of different public subsidy programs for different target groups, which helps in identifying the best direction for resources distribution and investments. Therefore, this research has important implications for the government, entrepreneurs, investors and educators.

Keywords: Entrepreneurship, Self-employment Projects, Employment, Entrepreneurial Motivation

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Introduction

In the busy, turbulent and stressful time we live in, one of the most important topics is employment. Employment is a macroeconomic indicator, it speaks about the situation and success of a certain state, it speaks about its problems, which are faced by the residents and the competent authorities in that state. The higher the employment, the greater the state's success, the higher its GDP, and this is also a signal to foreign investors that the state is on the right track. Employment affects consumption, travel, investments, tourism development and other indicators that strengthen the economy of a country. Unemployment, according to economic criteria, is not bad, but it should exist at a very small percentage. It is desirable for employers, but it is undesirable for the economy, as one big company of all of us, because the fact is that it speaks of an inefficient and dysfunctional economy. Employment and unemployment represent two extremes within our nation. Unfortunately, the level of employment is insufficient while unemployment rates remain notably high. According to international standards, unemployment is defined by three concurrent criteria: an individual must be unemployed, currently available for employment, and actively seeking work.

On the other hand, it is necessary to define employment, and a special type of employment, which is called full employment. Full employment is the level of employment for which the labor market is in equilibrium. This is the key premise of the neoclassical school, according to which everyone who wants to can find a job for the existing real wage (Vukadinović, 2015). What is important to say is that the employed successfully or less successfully develop their skills in their work positions, while the unemployed are on the labor market. According to Bušelić (2015), the labor market has never before been so much at the center of economic theorists and has not captivated the general public as it does today, which is a product of political and economic events before and after the world crisis in 2008, when unemployment in some countries almost reached percentage of the first major global crisis at the end of the twenties of the last century.

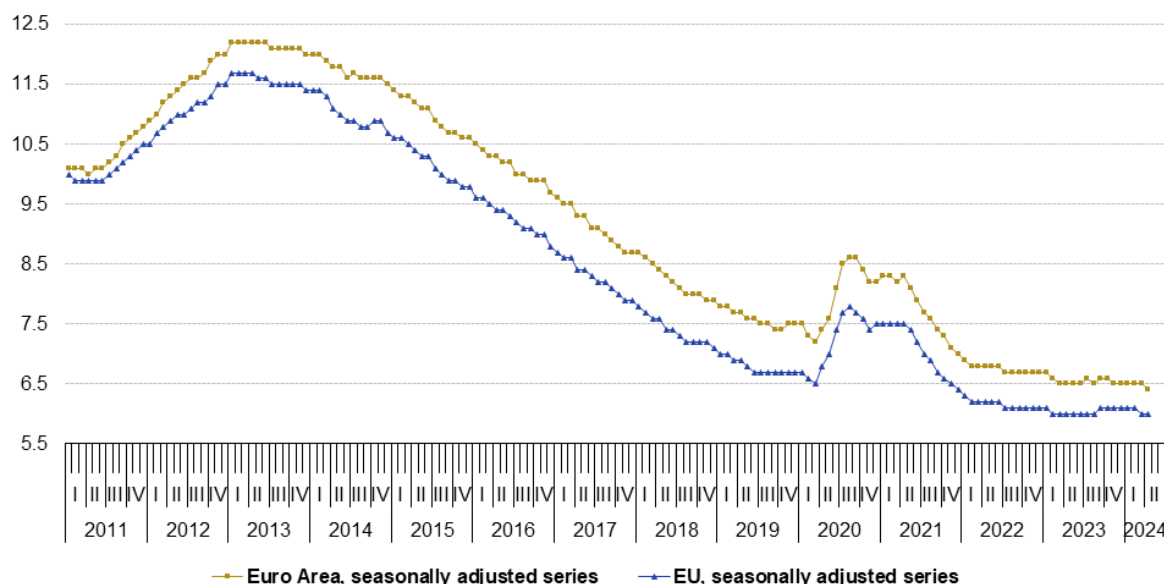
Crises prompt reevaluation of economic and political paradigms, opening doors for new ideas and policy changes (Jessop, 2013). Economic crises also lead to state reforms influenced by those defining the crisis's causes and solutions (Hay, 2013). The 2008 global financial crisis (GFC) significantly impacted European labor markets, increasing youth unemployment and prompting EU and national policy responses. Lifelong learning (LLL) policies have emerged as key strategies against youth unemployment in the EU (Heyes, 2013). While LLL trends post-2008 GFC are documented (Milana and Holford, 2014; Zarifis and Gravani, 2014), there is limited knowledge on how national governments adopt these policies and implement specific initiatives for young people (Saar et al., 2013).

Literature review

The economic impact of Covid-19 is significant. The crisis has emphasized the difficulties faced by governments in providing social security to self-employed workers, whose work behavior and habits are challenging to verify. As highlighted in previous research (Boeri et al., 2020), the self-employed encompass a wide range of individuals, from high-income partners in law firms to part-time food delivery drivers. As self-employment has increased over the past two decades, the variety among these workers has also expanded. While some self-employed individuals may be severely impacted by the crisis, the effects on others are less predictable. For example, artists and restaurant owners may experience a substantial decline in income,

whereas demand for delivery drivers' services could rise. This diversity makes it difficult to accurately assess the overall impact of Covid-19 on the self-employed. State programs aimed at supporting self-employment are attempting to mitigate the effects of this shock, with many turning to government assistance for support.

Figure 1. Unemployment rates, EU and EA, seasonally adjusted, January 2011 - May 2024

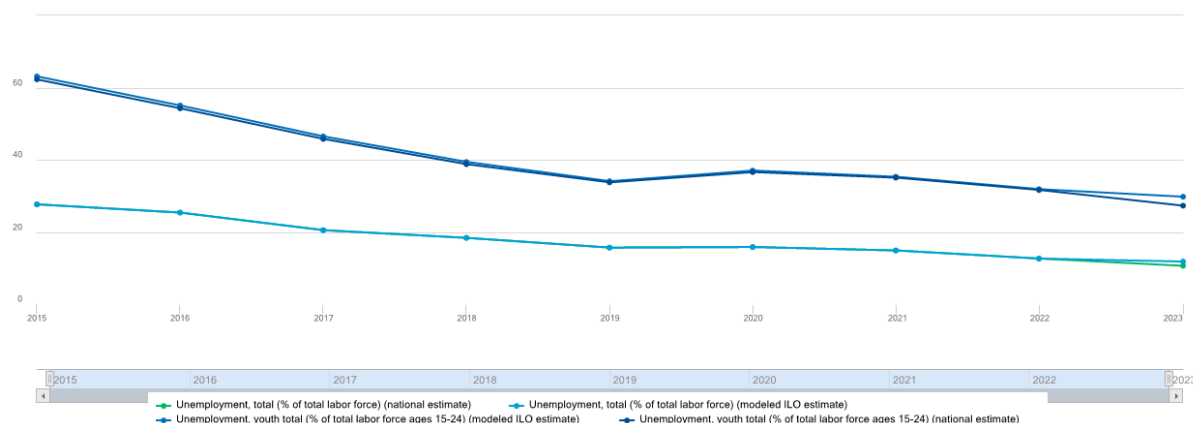


Source: Eurostat

In the countries of the European Union (Figure 1), the percentage of unemployment was 6% in May 2024 (Eurostat, May 2024). This is a very low unemployment rate, and personnel who have just graduated from high school or college find their first job relatively quickly. Unfortunately, the unemployment rate in Bosnia and Herzegovina is higher. It is even up to 29,81% youth total unemployment (% of total labor force ages 15-24), which is worrying, and 11.83% total unemployment (% of total labor force) ILO estimate (Figure 2). This figure is a signal of major systemic problems, low motivation to start one's own companies, high level of corruption, etc. What can be concluded, de facto, is that the high level of unemployment is a big problem, and it must be solved. It is interesting that the most educated personnel leave the country to find their job in one of the countries of the European Union (WEF, 2019). But why is the European Union so successful? One of the reasons is certainly the very large number of small and medium-sized companies located there. The development of small and medium entrepreneurship is one of the most important strategic commitments of the European Union. Therefore, this development was translated into clearly defined goals of umbrella, and especially sectoral strategic documents (Šarola and Iskra, 2014). The structure of small and medium enterprises in the European Union is best reflected through the very development of the sector of small and medium enterprises. Small and medium-sized enterprises (SMEs) cover as much as 99.8% of the total number of enterprises, and micro-enterprises with less than 10 employees as much as 92% of the total number. It is estimated that about 9 million micro-enterprises, which is about half of the total number, do not employ workers outside their family, that is, they are family enterprises or enterprises in which the owner of the enterprise is the only employee. That segment employs 20% of total employees, while the SME sector captures a

share of almost 70% of employees (Avlijaš, 2008). In such a statement, it is very important that we also have new companies in BiH, which will be generators of the economy and new economic development. However, in general, to create a new company, the first question that arises is capital, that is, how to obtain funds that will be used to finance the self-employment project. Knowledge about starting an entrepreneurial business environment, ways of financing, as well as stimulating young people to have their own business is an important step in creating an entrepreneurial culture. A significant part of the economic growth of many countries in Europe, the United States of America, Asia, and Israel, as well as the successful fight against the problem of youth unemployment, is based on the creation of a financing model for entrepreneurship and the improvement of access to capital and the establishment of the sustainability of new businesses, providing incentives and improved access business opportunities. However, young people often have ideas, but do not have adequate knowledge about all possible ways of securing financial resources for a business venture. In addition to incentives, which could be implemented with the help of favorable lending from banks, business incubators, business angels, financial support for startup ventures is most often implemented through the support of state institutions (Ljušić, 2017).

Figure 2. Unemployment rates, Bosnia and Herzegovina, 2015 – 2023



Source: World Development Indicators (2024)

In the last two decades, American policymakers have focused significantly on the possibilities of self-employment training programs as a means for re-employing the unemployed. In the early 1990s, the US Department of Labor financed two experimental design demonstration programs: the Self-Employment and Business Development Program in Washington and the Entrepreneurship Project in Massachusetts. These initiatives offered self-employment training and financial support to a random sample of unemployed individuals seeking self-employment. Benus et al. (1995) demonstrated that program participants achieved substantial advancements in self-employment, wage employment, and income. The research determined that self-employment initiatives are a potent retraining policy instrument and ought to be integrated into the US workforce development framework. Interest in self-employment initiatives has increased in both developed and developing nations. Numerous countries have implemented national initiatives to support unemployed individuals in pursuing self-employment within the framework of their active labor market policies. The UK's Business Grants scheme offers weekly stipends to unemployed individuals as they endeavor to establish a business, while

France's Chomeurs Createurs program assists unemployed persons in launching a business by supplying seed capital in the form of a lump sum rather than unemployment benefits (Benus, 1995; Meager, 1996). In Germany, startup subsidies and bridging programs offer intermittent financial assistance to unemployed individuals seeking to establish their own enterprises (Baumgartner and Caliendo, 2008). Belgium, Denmark, Hungary, Italy, Poland, Spain, and New Zealand have instituted analogous initiatives (Meager, 1996; Cueto and Mato, 2006; Perry, 2006).

Youth unemployment is attributed to several microeconomic and macroeconomic variables. The primary microeconomic factors encompass a deficiency in skills and experience (Páleník, 2011; Sechele, 2016; Jones et al., 2016), familial background (individuals from economically disadvantaged families tend to possess lower educational attainment and enter the labor market prematurely, whereas those with self-employed parents and higher parental income are more inclined towards self-employment) (Hout and Rosen, 2000; Mlatsheni and Rospabe, 2002; Hundley, 2006), and, in infrequent instances, gender (men are more predisposed to self-employment than women) (Manyande, 2006). The primary macroeconomic factors encompass the disparity between the education system and the labor market (Manyande, 2006), aggregate demand (Páleník, 2011; Frankjović et al., 2015), wages (notably minimum wages) (Walsh, 2011), and the magnitude of the youth workforce (Manyande, 2006; International Labour Office, 2013). The disparity between the education system and the labor market generates a surplus of labor supply relative to demand, thereby leading to elevated unemployment rates. Aggregate demand indicates the condition of the overall economic system; thus, a decline in aggregate demand results in a corresponding decrease in labor demand, leading to a rise in the unemployment rate. Manyande (2006) observes that teenage unemployment is more susceptible to variations in aggregate demand compared to adult unemployment, as the interests of young workers are less likely to be safeguarded by legislation or unions. Variations in the minimum wage substantially affect adolescent unemployment, as less skilled and inexperienced young individuals typically occupy the lowest-paying positions. The increased size of the youth workforce necessitates the creation of additional jobs (Perugini and Signorelli, 2010; International Labour Office, 2013).

The literature research indicates that the self-employment of young individuals is driven by two contrasting forces: push and pull influences (Frankjović et al., 2015). The push factor effect, also referred to as the refugee effect, desperation effect, recession push, or unemployment push, denotes the phenomenon whereby a rise in unemployment rates—typically during economic recessions and declining aggregate demand—leads an increasing number of young individuals to perceive self-employment as a viable alternative to traditional employment (Özerkek and Doğruel, 2015). However, some scholars (Constant and Zimmerman, 2014) characterize self-employment prompted by unemployment (or necessity-driven self-employment) as detrimental and likely to fail, as the decision to initiate a business in such circumstances stems from constrained opportunities. The pull factor effect, referred to as the welfare, pull, or entrepreneurial effect, indicates that self-employment fosters entrepreneurship, thereby stimulating business activities, which subsequently results in reduced unemployment rates and increased minimum wages in later periods (Özerkek and Doğruel, 2015; Blattman and Dercon, 2016). In essence, pull factors are exemplified by entrepreneurs who are recognized for fostering job creation and promoting innovation (Frankjović et al., 2015).

Numerous assessments of self-employment initiatives were conducted in the specified nations, yielding encouraging evidence of their efficacy in fostering new business ventures and facilitating self-employment among unemployed individuals. Nevertheless, none of the current investigations employed a rigorous experimental design; rather, they predominantly utilized non-experimental methodologies to evaluate program impact (Meager, 1996; Perry, 2006; Baumgartner and Caliendo, 2008; Cueto and Mato, 2009). Furthermore, since the majority of current self-employment initiatives exclusively aim at unemployed individuals, our assessments concentrated on the efficacy of these programs for the unemployed. To our knowledge, no research has investigated the efficacy of such programs for unemployed individuals seeking self-employment.

In the past, and still today, numerous self-employment projects have been created for the young, the elderly, people of various populations, who need to establish their own companies, to get their first job. These projects can be divided into two large groups, projects initiated by the Government of Bosnia and Herzegovina (or one of the institutions of the Government), and projects initiated by foreign or non-governmental organizations, or some other organizations that have no contact with the Government. In Bosnia and Herzegovina self-employment projects are divided into 4 basic categories, including specific category, that is Herzegovina-Neretva Canton (HNK):

- projects financed by the Government of FB&H,
- projects financed by the Government of Herzegovina-Neretva Canton (HNK),
- projects financed by the EU (or embassies) and
- projects financed by non-governmental organizations.

The research will cover two important, and so far, insufficiently researched, areas:

- participation of applicants in self-employment projects and efficiency of these projects/programs, and
- the motivation of applicants for such projects, and that is, the motivation and efficiency of such projects/self-employment programs.

Methodology

When it comes to the collection of primary data, they were collected through a survey questionnaire. 100 respondents participated in the research, who previously applied for public tenders for the allocation of funds (tenders announced by the Government; tenders announced from other sources). By answering, the respondents gave a clear position, and the data collected are important for all further research.

The survey questionnaire contained three parts:

- questions of a general nature (including filter questions, which analyze belonging to a certain sample, i.e. analyze whether the basic research criteria are met),
- questions about self-employment projects and

- questions about motivation.

All three groups of questions have certain specificities, and thanks to them, we get an answer and a broader picture of the numerous self-employment projects that are known on the territory of HNK, as well as the whole of Bosnia and Herzegovina.

There are 100 respondents in the sample, and the basic research criteria for sample selection are:

- that the person has applied for at least 1 tender related to self-employment in the past 5 years and
- that the person with residence is from HNK.

These were the fundamental, or eliminatory, conditions. The candidate pool was established by direct engagement with educational associations, such as Link Mostar, or via private relationships. The population N during the research comprised 470 users of self-employment projects across a span of 5 years in HNK, necessitating a sample of 100 respondents to ensure the research's representativeness. This research, informed by Norusis (2005), employs ordered logistic regression (OLS) due to the categorical nature of the dependent variables, where the order is a significant consideration (Likert five-point scale). These ordinal regression models extend the binary logistic regression model by accommodating a dependent variable with more than two potential values (polytomous models). The dependent variable adheres to hierarchical order among the many categories, however the precise distance or difference between them remains indeterminate. The initial proposition of the Theory of Expectations is employed in the multiplicative method for evaluating motivational force (Vroom and Jago, 1978). The impact of elevated expectations on motivation is more significant when the perceived worth of the outcome is high compared to when it is deemed low. The multiplicative method was employed by Fitzsimmons and Douglas (2011) and Holland (2011). Nevertheless, scholars like Julian and Ofori-Dankwa (2008) and Renko et al. (2012) propose that entrepreneurship research ought to investigate the autonomous impacts of factors. Renko et al. (2012) elucidate that entrepreneurs may harbor doubts regarding their talents and abilities (low levels of expectation), yet they nonetheless exert considerable effort in establishing their own enterprises due to the significant value they perceive they may provide. Consequently, we employed two methodologies to tackle our study inquiries. Initially, we evaluated the hypothesis of an additive model by assessing the variables separately, followed by the adoption of a multiplicative framework through the estimation of a positive interacting impact for the multiplicative model.

Data analysis

In the sample, the male gender (63%) leads compared to the female gender (37%), which is in line with the greater tendency of the male population to take risks and engage in entrepreneurial activity. The research found that the largest number of applicants were in the age range of 26 to 35 years, and there were slightly fewer applicants in the age range of 36 to 45 years. The younger population rarely decides to apply for these types of projects (only 2%), while those aged 56 to 64 did not (0%). When it comes to the education of the respondents, the research found that most of the applicants had the first cycle of studies (59%), i.e. more than half of the applicants. There are the least of them with the third cycle of studies, i.e. completed doctoral studies - only 1 applicant. Most of the respondents are in the category between 21 and 30 years

of work experience, while the fewest respondents have over 30 years of work experience of those who applied for self-employment programs. As many as 92% of applicants to HNK are still self-employed, that is, their projects have come to life and turned into real businesses. Research has shown that the most popular and common type of self-employment programs are programs and projects financed by non-governmental organizations, followed by programs directed by the European Union. The least popular programs among the applicants in the sample are those funded by the Government.

Of the total number of applicants, as many as 69% of them received some financial assistance thanks to self-employment co-financing projects. Many respondents (57%) believe that the funds are not allocated fairly and transparently, but under some other conditions. Such statistics are devastating and are a direct alarm for those who manage the country. Young applicants do not have enough trust in competent services, and this is only one of the indicators. Applicants believe that the most transparent programs are those financed by non-governmental organizations and the European Union, and they have the least confidence in local authorities, that is, in projects financed by the Government of HNK. The largest number of respondents received funds in the smallest amount (up to 5,000 KM), and after that, as can be seen on the graph, there is a decrease in the number of funds received by respondents. So, the larger the amount of funds, the smaller the number of applicants who received these funds, and no applicant received more than 50,000 KM (Figure 3).

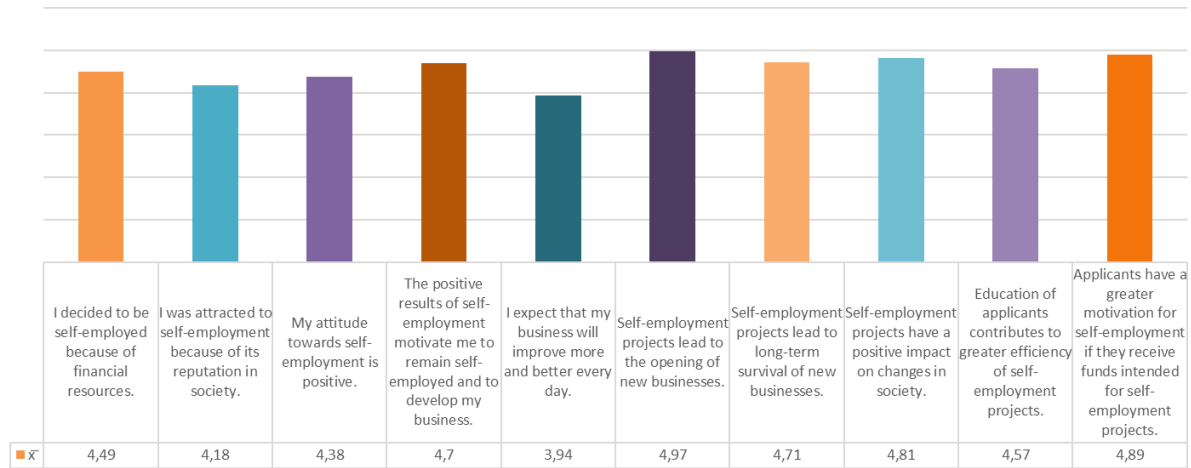
Figure 3. Distribution of received funds



Source: Authors' own work

The research shows that 79% of applicants believe that the procedure for obtaining funds for self-employment is complicated, while only 21% of them believe that the procedure is not complicated. The research found that the largest number of respondents (applicants) agreed with the statement that projects lead to better changes in society, and the smallest number of applicants agreed with the statement that they have positive expectations for the growth of their company. All statements (Figure 4) have an average score ($\bar{x}$) over 4 (the only exception is a value of 3.94).

Figure 4. Comparative view of average grades



Source: Authors' own work

We examined the data using the decision to maintain self-employment (SEMP) as the dependent variable. This research aims not to assess entrepreneurial intention, which necessitates a prospective approach (Manolova et al., 2007; Douglas, 2013), but rather to evaluate the success of the decision to form a company. This retrospective technique enables us to identify the characteristics that elucidate driving behavior when a prospective entrepreneur ultimately decides to execute their business idea and achieves success without remorse. Consequently, the possible limitations of this methodology, highlighted by Mattheus and Moser (1996), did not impact the research. The impetus for initiating a new enterprise, the extent of work the entrepreneur is prepared to dedicate to establishing a company (MOT), education (EDU), the capabilities, knowledge, and experience of the self-employed (ABIL), and the presence of self-employment initiatives (PES) are independent variables. Table 1 presents the findings from the OLS study. The initial rows present the outcomes of several goodness-of-fit assessments. Consequently, we ascertain that the additive model is significant, accounting for 85.865 out of 100 of the variability of the dependent variable (SEMP) without exhibiting issues of collinearity or autocorrelation, as evidenced by the F-test and the Durbin-Watson test.

Table 1. Analysis of MOT, EDU, ABIL and PES at SEMP using the additive model

<i>Joint analysis</i>					
$R^2 = 85.865\%$	$R^2_a = 85.214\%$	$F = 564.96$	$Sig. = .0000$	$e = 1.98411$	$DW = 1.96947$
<i>Joint analysis</i>					
<i>Variables</i>	β	$\sigma(\beta)$	T	$Sig. T$	<i>Relationship</i>
<i>MOT</i>	.554896	.156412	4.412	.0001	Positive Significant
<i>EDU</i>	.231654	.165413	2.045	.0841	Positive Not significant
<i>ABIL</i>	.308416	.180560	1.871	.0955	Positive Not significant
<i>PES</i>	.641491	.209841	4.784	.0001	Positive Significant

Source: Authors' own work

Observed at the individual level, the additive model confirms the relationship between the decision to remain self-employed (SEMP) and the motivation to start a new business (MOT) because the direction is positive and the relationship is significant, which is also the case with the existence of self-employment projects (PES). However, this is not the case for education (EDU) and entrepreneurial abilities (ABIL) where the relationship has a positive direction but is not significant. Therefore, we see that the data does not support the fact that the entrepreneur's knowledge and skills influence the decision to establish a company, and therefore the theoretical framework cannot be confirmed by this model.

Table 2. Analysis of MOT, EDU, ABIL and PES at SEMP using the multiplicative model

<i>Joint analysis</i>					
$R^2 = 93.685\%$	$R^2_a = 93.325\%$	$F = 1698.13$	$Sig. = .0000$	$e = .25641$	$DW = 2.03278$
<i>Joint analysis</i>					
<i>Variables</i>	β	$\sigma(\beta)$	T	$Sig. T$	<i>Relationship</i>
<i>Log MOT</i>	.596816	.156412	4.821	.0000	Positive Significant
<i>Log EDU</i>	.409841	.165413	2.913	.0069	Positive Significant
<i>Log ABIL</i>	.395617	.180560	2.687	.0045	Positive Significant
<i>Log PES</i>	.716187	.209841	5.375	.0000	Positive Significant

Source: Authors' own work

The multiplicative model employs logarithms to transform the expression into a summation that can be assessed using least squares methodology. The findings are displayed in Table 2, demonstrating that the model is significant, accounting for 93.685 out of 100 of the total variability of the dependent variable, with no issues of collinearity or autocorrelation, as indicated by the F-statistic and the Durbin-Watson test. At the individual level, the parameters in this model are both positive and significant. A further examination of each independent variable (Table 2) reveals that while all variables significantly contribute, the motivation to initiate a new firm exerts a more substantial impact on the entrepreneur's capacity to attain his objectives. In contrast to the additive model, the multiplicative model provides a superior integration with the theoretical framework for elucidating the decision to initiate a business, encompassing the motivations for undertaking such a venture, the presence of self-employment initiatives, and the entrepreneur's education and skills, thereby highlighting the substantial impact of all variables.

Additionally, we examine the data utilizing the entrepreneur's motive for initiating a new venture (MOT), which broadly signifies the commitment the entrepreneur is willing to invest, encompassing time, energy, and financial resources, as a dependent variable. The expectation of project completion (EXP), the appeal to the entrepreneur (VAL1), and the presence of self-employment initiatives (PES) are independent variables. To ascertain the existence of such a link, we conducted a regression analysis based on Vroom's (1964) framework. While Vroom advocates for a multiplicative model, other research, including that of Arvey and Dunnett (1970) and Chiang and Jang (2008), also regards the additive model as viable. Consequently, we implemented both models at this stage and then evaluated the merits of each. Table 3 presents the outcomes of the OLS estimation. The initial rows present the outcomes of several goodness-of-fit assessments. The data demonstrates that the additive model is significant, accounting for 96.458 out of 100 of the variability of the dependent variable (MOT) without issues of collinearity or autocorrelation, as indicated by the F-test and the Durbin-Watson test.

Table 3. Analysis of EXP, VAL and PES on MOT using the additive model

<i>Joint analysis</i>					
$R^2 = 96.458\%$	$R^2_a = 96.322\%$	$F = 1984.15$	$Sig. = .0000$	$e = .65846$	$DW = 1.41807$
<i>Joint analysis</i>					
<i>Variables</i>	β	$\sigma(\beta)$	T	$Sig. T$	<i>Relationship</i>
<i>EXP</i>	.524761	.073468	7.275	.0000	Positive Significant
<i>VAL</i>	.422871	.072458	6.965	.0000	Positive Significant
<i>PES</i>	.612527	.083782	7.733	.0000	Positive Significant

Source: Authors' own work

The second section of the table presents the individual-level results, with the independent variables in the left column, succeeded by the parameter estimates for the evaluated model and the T-test outcomes for each variable, accompanied by the corresponding significant levels. The table clearly demonstrates that the additive model substantiates the correlation between an entrepreneur's motivation to initiate a business and their aspiration to establish their own company, as well as the presence of self-employment initiatives. The positive regression coefficients demonstrate that an increase in one variable corresponds to a greater increase in the other variable. Conversely, the multiplicative approach employs logarithms to transform the statement into a summation that can be assessed using least squares. Table 4 displays the results, demonstrating that the overall model is significant, accounting for 97.856 out of 100 units of the total variability of the dependent variable, and exhibiting no issues of collinearity or autocorrelation, as per the F-test and the Durbin-Watson test.

Table 4. Analysis of EXP, VAL and PES on MOT using the multiplicative model

<i>Joint analysis</i>					
$R^2 = 97.856\%$	$R^2_a = 97.264\%$	$F = 3487.84$	$Sig. = .0000$	$e = .06521$	$DW = 1.4957$
<i>Joint analysis</i>					
<i>Variables</i>	β	$\sigma(\beta)$	T	$Sig. T$	<i>Relationship</i>
<i>Log EXP</i>	.781586	.057181	1.412	.0000	Positive Significant
<i>Log VAL</i>	.396752	.068725	1.605	.0000	Positive Significant
<i>Log PES</i>	.802175	.072537	.935	.0000	Positive Significant

Source: Authors' own work

At the individual level, the parameters are positive and significant, further affirming that the dependent variable can be elucidated through a direct relationship. Each independent variable significantly influences the evaluation of the dependent variable, with a notable T level of 0.

Discussion

As many as 100 respondents participated in the research process, who met two basic criteria: the criterion of place of residence (all respondents are from HNK) and the criterion of applying to self-employment projects (all respondents applied to one of the projects at least once in their life/work self-employment). After the applicant database was formed, the examination/research began, followed by data processing. the research found that out of the total number of applicants, the sample is dominated by men. There are over 50% of them, compared to women, who are less likely to apply for self-employment projects. Furthermore, the research found that young people (up to 25 years old) and older people (over 50 years old) rarely apply for self-employment projects. This is most often done by the middle population according to the number of years (from 25 to 45 years old). A higher level of education does not mean a higher number of applicants for self-employment projects, but quite the opposite. By examining the findings of the results, it was determined that as the respondent's education level increases, the

probability that he will become an applicant for any self-employment project is lower. In the examined sample there is only one doctor of science - applicant. The middle population and by the number of years of service is the group that most often applies, in the range of 21 to 30 years of service. One of the significant points in the context of self-employment is that over 90% of applicants who applied for public calls essentially have businesses that have come to life. On the other hand, 8% of them do not have positive experiences, and after the initial enthusiasm they left their own projects, became unemployed or were employed in some other companies. It can be concluded that self-employment projects, in terms of motivation of applicants, have a very positive effect. Respondents in this area have the least confidence in the authorities of Bosnia and Herzegovina, and they especially have no confidence in the Government of HNK, i.e. the local government, in whose projects the least interest has been drawn. On different projects, however, not all applicants received certain financial assistance. Only 69% of them managed to benefit financially from various projects and self-employment programs, while the remaining part (almost a third of applicants) did not receive financial resources.

One of the important questions is why there is a lack of interest in state calls for self-employment. The answer lies in the fact that most applicants do not believe that the funds are distributed sufficiently, fairly and transparently (57% of respondents). Therefore, the majority decides to direct their time, effort and commitment towards those projects where they have greater certainty of fairness when deciding on the applications themselves, namely the projects of non-governmental organizations and the European Union. When it comes to the amount of money that respondents received thanks to these invitations, research shows that the largest number of applicants received the lowest offered amounts (up to 5,000 KM), which are barely enough to start a new business. On the other hand, as the amount of money that the applicant can receive increases, so does the number of applicants who received those funds. It is interesting that none of the surveyed applicants received funds over 50,000 KM. In addition to everything previously said, it is also important to investigate how and to what extent the procedure of applying for these types of invitations is complicated. The research shows that as many as 79% of respondents consider the process of applying for self-employment projects to be very difficult and time-consuming, while only 21% of them consider this process easy and fast. The variables, such as: expectations and motivation, were measured on a Likert scale, and the respondents gave positive attitudes. It has been scientifically proven, through data analysis, that the attractiveness of self-employment depends on its perception that self-employment will lead to the creation of other outcomes. This claim was confirmed through the absolute consent of the respondents in the context of the decision for self-employment, which was initiated by money and the potential reputation that self-employment brings.

It is concluded that a person's motivation to remain self-employed (motivation) depends on the subjective assessment of the probability of achieving the same (expectation) and the attractiveness of self-employment (first-order valence). In other words, the positive outcomes brought about by self-employment motivate applicants to remain persistent in their struggle and work, that is, to be persistent in remaining self-employed and developing their own business. Most respondents believe that self-employment projects and programs have a very positive impact on creating positive changes in society, and that the education of applicants is a crucial factor in the context of the success of any application, or any self-employment project. Furthermore, the research establishes that there is a directly proportional relationship between motivation and the self-employment project, that is, as the probability of obtaining funds to

start a new business increase, the applicant's motivation increases. It can be said that self-employment projects and motivation are closely related variables, i.e. without motivation the application itself to self-employment projects will not be adequate (regardless of the predictor of socio-demographic character), and the realization of a business, i.e. the creation of a self-employment process without financial motivation, i.e. success in self-employment projects is not possible.

Findings

This study, akin to many others, is constrained by several constraints. A notable empirical restriction is the utilization of single-item measurements for all variables in the proposal model. Miller et al. (2009) assert that a measurement instrument must comprise numerous items evaluating analogous content to establish a scale with suitable psychometric qualities. The assessment of entrepreneurial intention could be enhanced by incorporating additional items from Liñán and Chen's (2009) six-item scale, so facilitating a comprehensive evaluation of the entire dimension of entrepreneurial intention.

The basic limitations of the research were:

- Access to respondents - It is very difficult to collect an adequate number of respondents who meet the sample criteria.
- Confidentiality of data - Regardless of certain data, which are very interesting, due to the guarantee to respondents about data confidentiality, they cannot be presented.
- Respondents' fear - in direct interviews, many respondents wanted to express their opinion about some irregularities when clarifying their answers (related to corruption, nepotism, non-confidentiality of data...etc.), but they did not have enough courage to state it publicly.

A further constraint is the recruitment of candidates exclusively from one region of Bosnia and Herzegovina (HNK), which constrains the broader application of the findings (Santos-Álvarez and García-Merino 2016). Furthermore, our research exclusively examined the entrepreneur's perspective. This research has practical ramifications for entrepreneurial education, including enhanced understanding of the cognitive processes associated with self-employment. Motivation is crucial for fostering entrepreneurship, as concluded by Entrialgo and Iglesias (2016); hence, universities and schools play a significant role in inspiring and motivating students to pursue entrepreneurial careers. Government agencies, banks, and prospective investors should evaluate these substantial findings and analyses to assess the dedication of potential entrepreneurs, thereby mitigating the elevated failure rate and optimizing the management of subsidies and funds for small enterprises and self-employment initiatives. It is essential to consider this while developing programs aimed at fostering entrepreneurship and establishing self-employment initiatives, as remaining self-employed is becoming increasingly challenging compared to initiating a venture (Holland and Garrett 2015).

Conclusion

The research process, which had a large scope, a representative sample and interpretation of data, created new knowledge, and through the work an attempt was made to contribute, both theoretically and in an applied sense. In the previous part, the findings of numerous authors who wrote on the topic of entrepreneurship and self-employment were combined. The analysis of secondary data shows the most common self-employment projects in the world and in Bosnia and Herzegovina. On the other hand, by analyzing the data that was collected through direct research, new knowledge was obtained concerning the applicants themselves, their habits and preferences, their previous experiences, etc. research has established that a motive is needed for every reaction, and the motive for self-employment stems from expectations, which this term brings. Immediately after the applications for the projects, the motivation for employment itself increases, and after receiving funds, it continues its further growth in the implementation of self-employment projects, after which the previous expectations are realized. The research procedure, with all its limitations, which were mentioned earlier, made new discoveries. First, they concern citizens' trust in projects, citizens' trust in the Government, expectations and motivation of applicants, etc. In the last part, it is important to state that all research hypotheses have been confirmed, and that all research questions have been answered. Ultimately, we confirmed the primary study question affirmatively, demonstrating that an individual's entrepreneurial motivation is crucial in the decision to maintain self-employment, which is enhanced by the presence of self-employment initiatives. The results gained align with the empirical evidence presented by other researchers, like Gatewood et al. (2002), Bayon et al. (2015), and Uy et al. (2015), particularly concerning the essential roles of motivation, dedication, and ability as catalysts for business growth. It is important to highlight that enterprises are established not alone by individuals with knowledge and capability, but also by people with substantial motivation (Holland and Garrett 2015). Both criteria are crucial to the viability of self-employment and possess significant practical ramifications. Research findings offer policymakers knowledge regarding the efficacy of various public subsidy programs for distinct target demographics, thereby assisting in the optimal allocation of resources and investments. Even though this research holds significant implications for the government, businesses, investors, and educators, additional research remains to be conducted.

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