JURNAL ECONOMINA

e-ISSN: 2963-1181

Volume 5, Number 10, October 2026

Homepage: ejournal.45mataram.ac.id/index.php/economina

The Effect Of Regional Development Inequality On Generation Z Migration Decisions In Bali Province

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Article History

Received: 02-10-2026
Revised: 07-10-2026
Published: 30-10-2026

ABSTRACT

Regional development inequality is one of the conditions that may influence population migration decisions. Differences in the availability and quality of infrastructure, employment opportunities, and economic activity create different levels of attractiveness and opportunity across regions, particularly for Generation Z, who are entering higher education, the labor market, and independent economic life. Regions with better infrastructure, broader employment opportunities, and more dynamic economic activity may offer stronger incentives for young people to move. This study examines the effects of regional infrastructure inequality, regional employment opportunities, and regional economic activity on Generation Z migration decisions in Bali Province. The study uses a quantitative explanatory design. The population consists of Generation Z in Bali Province, and 100 respondents were selected using purposive sampling based on predetermined criteria. Data were collected through observation, documentation, literature review, and questionnaires. Data analysis employed Structural Equation Modeling–Partial Least Squares (SEM-PLS) to examine the structural relationships among the constructs. The measurement model was evaluated using factor loadings, Average Variance Extracted (AVE), Cronbach's Alpha, Composite Reliability, Fornell–Larcker criteria, and the Heterotrait–Monotrait Ratio (HTMT). The structural model was assessed using R^2, f^2, Q^2, model-fit measures, and bootstrapping. The results indicate positive and statistically significant relationships between regional infrastructure inequality, employment opportunity inequality, economic activity inequality, and Generation Z migration decisions. The findings indicate that differences in regional development are relevant to the mobility decisions of young people in Bali and provide an empirical basis for policies aimed at reducing spatial disparities through more balanced infrastructure provision, quality employment creation, and wider distribution of economic activity.

Keywords: Regional Development Inequality, Regional,Infrastructure Employment Opportunitie

INTRODUCTION

Regional development seeks to improve welfare and equalize economic opportunities, yet differences in geography, infrastructure, economic structure, employment opportunities, and public services can generate disparities between regions. Such differences may affect where people choose to live, work, study, and build their future. Regional development and population mobility are therefore closely connected within regional economic development.

Migration can be understood as an individual response to differences in social and economic conditions across regions. Individuals may move when the expected benefits of migration are perceived to exceed its costs. For young people, differences in educational and employment opportunities are important considerations in mobility decisions. Malamassam (2022) shows that young people are relatively active in mobility and that youth migration patterns in Indonesia are associated with differences in educational and employment opportunities across regions.

These conditions are increasingly relevant to Generation Z, who are in the transition from education to employment and independent life. Digital technology enables Generation Z to compare educational opportunities, jobs, income prospects, and living conditions across locations more easily. Consequently, migration decisions are shaped not only by demographic characteristics but also by perceptions of opportunities and development quality in origin and destination areas (BPS, 2024).

Bali has a dynamic economy driven by tourism, trade, accommodation and food services, transportation, and other services. However, economic development is not distributed evenly across all regencies and municipalities. Differences in infrastructure, employment opportunities, and economic activity can create different levels of regional attractiveness for Generation Z (BPS-Statistics Bali Province, 2025a).

Infrastructure inequality is potentially important because roads, transportation, public facilities, internet access, and technology determine connectivity with economic centers. Better infrastructure can provide easier access to employment, education, economic activity, and public services. For Generation Z, disparities in physical and digital infrastructure may create differences in opportunity and encourage consideration of migration toward areas with better facilities.

Employment opportunities are another important factor. Regions that provide more numerous, diverse, productive, and skill-compatible jobs may be more attractive to young people. Conversely, limited employment opportunities can become a push factor. In addition to the number of jobs, job quality, income, job fit, career opportunities, and future prospects may influence the location decisions of Generation Z (World Bank, 2024).

Regional economic activity also matters. It includes production, trade, investment, consumption, services, and business activity. Regions with higher economic activity generally have larger markets, more enterprises, broader business networks, and more diverse employment opportunities, creating pull factors for Generation Z. Conversely, limited economic activity may become a push factor when the origin region cannot provide opportunities that match young people's needs and aspirations.

Based on this background, the research questions are: (1) Do regional infrastructure inequality, employment opportunity, and economic activity jointly affect Generation Z migration decisions in Bali Province? and (2) Do these three dimensions individually affect Generation Z migration decisions in Bali Province?

RESULTS AND DISCUSSION

Results

Research Design

This study uses a quantitative explanatory design. The design is intended to explain relationships between regional development inequality as an independent construct and Generation Z migration decisions as the dependent construct in Bali Province.

Regional development inequality is operationalized into three main constructs: Regional Infrastructure Inequality (X1), Employment Opportunity (X2), and Regional Economic Activity (X3). These constructs are used to explain variation in Generation Z Migration Decisions (Y). Data were collected through questionnaires administered to Generation Z respondents in Bali Province using predetermined measurement scales.

Data analysis uses Structural Equation Modeling Partial Least Squares (SEM-PLS). The analysis consists of outer-model evaluation for indicator validity and reliability, inner-model evaluation for structural relationships, and bootstrapping for hypothesis testing.

Data Collection and Analysis

The population is Generation Z in Bali Province. The manuscript reports a purposive sample of 100 respondents selected according to predetermined criteria. Data collection involved observation, documentation, literature review, and questionnaires.

The outer model was assessed using convergent validity, discriminant validity, and reliability. Convergent validity was assessed using factor loadings and AVE; discriminant validity was assessed using the Fornell Larcker criterion and HTMT; and reliability was evaluated using Cronbach's Alpha and Composite Reliability.

The inner model was evaluated using R^2, f^2, Q^2, and model-fit measures. Hypotheses were tested using bootstrapping at a 5 percent significance level. A hypothesis is considered statistically supported when the t-value exceeds 1.96 and the p-value is below 0.05.

Construct Validity and Reliability

The outer-model results show that all research indicators have factor loadings above 0.70. The lowest loading is 0.814 for X3.4, while the highest is 0.913 for Y1. Cronbach's Alpha and Composite Reliability for all constructs exceed 0.70, and all AVE values exceed 0.50. The results therefore satisfy the criteria for convergent validity and internal consistency.

Table 1. Construct Validity, Convergent Validity, and Internal Consistency

Construct	Item	Loading	Cronbach's Alpha	CR	AVE
Regional Infrastructure Inequality (X1)	X1.1–X1.5	0.827–0.883	0.903	0.928	0.721
Employment Opportunity (X2)	X2.1–X2.4	0.846–0.898	0.893	0.926	0.758
Regional Economic Activity (X3)	X3.1–X3.4	0.814–0.879	0.860	0.905	0.704
Generation Z Migration Decision (Y)	Y1–Y4	0.878–0.913	0.916	0.941	0.799

Source: SEM-PLS analysis, 2026.

Discriminant Validity

The Fornell–Larcker assessment reported in the manuscript indicates that the square root of AVE for each construct is greater than its correlations with other constructs. The HTMT values are also below the 0.85 threshold. The reported HTMT values are 0.527 between X1 and X2, 0.495 between X1 and X3, 0.716 between X1 and Y, 0.681 between X2 and X3, 0.773 between X2 and Y, and 0.701 between X3 and Y. Thus, the constructs demonstrate acceptable discriminant validity.

Table 2. Heterotrait–Monotrait Ratio (HTMT)

Construct	X1	X2	X3	Y
Regional Infrastructure Inequality (X1)	–	0.527	0.495	0.716
Employment Opportunity (X2)	0.527	–	0.681	0.773
Economic Activity (X3)	0.495	0.681	–	0.701
Migration Decision (Y)	0.716	0.773	0.701	–

Source: SEM-PLS analysis, 2026.

Structural Model Evaluation

The model-fit results show an SRMR of 0.071 for both the saturated and estimated models. The reported d_ULS is 0.610, d_G is 0.275, Chi-Square is 237.605, and NFI is 0.818. The manuscript interprets these values as indicating an acceptable level of model fit for proceeding with structural analysis.

Table 3. Model Fit

Criterion	Saturated Model	Estimated Model
SRMR	0.071	0.071
d_ULS	0.610	0.610
d_G	0.275	0.275
Chi-Square	237.605	237.605
NFI	0.818	0.818

Source: SEM-PLS analysis, 2026.

Hypothesis Testing

All three hypotheses are statistically supported based on the reported bootstrapping results. The t-values exceed 1.96 and the p-values are below 0.05.

Table 4. Hypothesis Testing Results

Hypothesis	Path Coefficient	t-value	p-value	Result
H1: X1 → Y	0.365	5.776	0.000	Supported
H2: X2 → Y	0.391	5.347	0.000	Supported
H3: X3 → Y	0.232	3.211	0.001	Supported

Source: SEM-PLS analysis, 2026.

Discussion

The findings indicate that regional infrastructure inequality, employment opportunity inequality, and regional economic activity inequality are positively and significantly associated with Generation Z migration decisions in Bali Province. These results are consistent with the push-pull perspective of Lee (1966), in which less favorable conditions in the origin area can create push factors while more favorable conditions elsewhere can create pull factors. They are also consistent with Todaro's (1969) emphasis on expected income and employment opportunities.

The effect of regional infrastructure inequality is positive and significant, with a path coefficient of 0.365, a t-value of 5.776, and a p-value of 0.000. Differences in roads, transportation, public facilities, communication, and digital access can affect accessibility to education, employment, and economic activity. The manuscript links this result to recent evidence that improved road connectivity can increase mobility by improving accessibility and reducing travel barriers.

Employment opportunity inequality has a positive and significant relationship with migration decisions, with a path coefficient of 0.391, a t-value of 5.347, and a p-value of 0.000.

This result indicates that differences in job availability, income, job fit, and career prospects are relevant to Generation Z's mobility decisions. Because Generation Z is entering the labor market and developing early careers, the availability and quality of local employment can influence long-term location choices.

Economic activity inequality also has a positive and significant relationship with migration decisions, with a path coefficient of 0.232, a t-value of 3.211, and a p-value of 0.001. Regions with more dynamic production, trade, services, investment, and entrepreneurship may provide a broader range of economic opportunities. The finding is consistent with the argument that economic concentration can increase the attractiveness of already-developed areas.

The three dimensions are interconnected. Better infrastructure can support economic activity; economic activity can create employment; and employment can increase regional attractiveness. Generation Z's high access to digital information may also make spatial differences more visible and easier to compare. In the reported model, the employment opportunity construct has the largest path coefficient (0.391), followed by infrastructure inequality (0.365) and economic activity inequality (0.232). This ordering is presented as a descriptive result of the estimated model rather than as a general ranking beyond the sample.

CONCLUSION AND SUGGESTIONS

Conclusion

The study concludes that regional infrastructure inequality, employment opportunity inequality, and regional economic activity inequality are jointly associated with Generation Z migration decisions in Bali Province.

Individually, each of the three dimensions also shows a positive and statistically significant relationship with Generation Z migration decisions. The findings indicate that spatial differences in infrastructure, employment opportunities, and economic activity are relevant considerations in understanding youth mobility in Bali.

The findings provide a basis for regional development policies that seek to reduce spatial disparities through more balanced infrastructure provision, creation of quality employment, improved career opportunities, and broader distribution of economic activity across regions.

Suggestions

Based on the findings, regional development policies in Bali should place greater emphasis on reducing disparities in infrastructure, employment opportunities, and economic activity. Improvements in transportation and digital infrastructure should be accompanied by the creation of quality and skill-compatible employment opportunities for young people. Regional governments should also strengthen local economic activities through MSME development, entrepreneurship, tourism, creative industries, and digital businesses outside major economic centers. Policies specifically targeting Generation Z should include access to education, skills development, career opportunities, and employment information. Future studies are encouraged to

incorporate additional socioeconomic and individual-level variables, use larger samples, and distinguish between migration intentions and actual migration behavior.

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