



DETERMINANTS OF YOUTH UNEMPLOYMENT RATE IN ASEAN COUNTRIES

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ABSTRACT

Youth unemployment is one of the problems that global economics, especially the economy of developing countries. Therefore, there have been many studies to investigate the variables which affect youth unemployment rate. Considering some variables which have affected the youth unemployment rate, this study tried to investigate the relationship between Inflation Rate (IR) Gross Domestic Product (GDP), Foreign Direct Investment (FDI), Exchange Rate (ER) and Stock Index (SI) with youth unemployment rate in three ASEAN countries which are Malaysia, Thailand and Singapore by using the annual data from 2000 to 2015. This research paper used a Panel Data Analysis. To achieve the objectives of the study, regression fixed effect model was used to assess the relationship between those independent variables and dependent variable. The results of the study demonstrated that gross domestic product (GDP) and unemployment had a significant and positive relationship towards youth unemployment rate. Meanwhile, for the other three variables which are exchange rate (ER), inflation rate (IR) and foreign direct investment (FDI) and stock index have a negatively significant relationship with youth unemployment.