



UNIVERSITI TEKNOLOGI MARA

**FINANCIAL CRISIS AND MACROECONOMIC
DETERMINANTS TOWARDS YOUTH
UNEMPLOYMENT RATE IN SOUTHEAST ASIAN
COUNTRIES**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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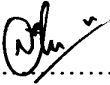
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ABSTRACT

Young people are more affected by the unemployment crises compared to the elder and this situation can be dangerous to the youth generation; as these young generation are the one that going to be the leader and the successor of the country. This study is focusing on the extent and the persistence of the impact of the financial crises in 1997 and 2007 on the youth unemployment rate in Southeast Asia. This category of people is consists of young people with the age 15 to 24. This research is revising the existing literature on the factors of the rate of youth unemployment generally and also on the effect of the previous financial crises particularly on young labours. Youth unemployment rate is the dependent variable in this study. To identify the relationship towards the youth unemployment rate (YUR), few independent variables is taken which include financial crises, GDP growth, inflation rate and foreign direct investment (FDI). The relationship of the financial crises and macroeconomic determinants towards youth unemployment rate is investigated using the panel data on Southeast Asia for the period of 1996 to 2016. The World Bank Development database and UNCTAD statistics are the sources that used for the sample data by using yearly data basis except for independent variable of financial crises as it is a dummy variable. Based on the result of this study, GDP growth, inflation rate and FDI is found to have a significant relationship with the YUR. However, there is no significant relationship between financial crisis and YUR.

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