

ABSTRACT

The integration of youth into the labor market is an important matter throughout the world. This is useful for building employment lines for young people and reducing youth unemployment. Youth unemployment is a major problem in many countries, because the youth unemployment rate is double that of adult unemployment. Even when the crisis occurs, the youth unemployment rate rises higher than the adult unemployment rate. Therefore, this study aims to analyze the effect of the global financial crisis on youth unemployment. The independent variables used in this study are the 1998 financial crisis dummy, the 2008 financial crisis dummy, Growth Domestic Product, Foreign Direct Investment, and inflation. While the dependent variable is the youth unemployment rate. The objects of this study are countries that are members of the Group of Twenty (G20) forum. This study uses panel data of 18 Group of Twenty (G20) countries from 1992 to 2017. The results of this study indicate that the 1998 financial crisis had a negative and significant effect on youth unemployment rates, the 2008 financial crisis had a positive and insignificant effect on the youth unemployment rate, Foreign Direct Investment and inflation have a positive and significant effect on youth unemployment, while Growth Domestic Product has a negative and significant effect on youth unemployment.

Keywords: Youth Unemployment Rate, Global Financial Crisis, Growth Domestic Product, Foreign Direct Investment, Inflation

