

ABSTRACT

The demographic bonus can provide opportunities for the country's development, but if not managed effectively, it can lead to demographic challenges, including unemployment. Youth unemployment is a major problem for many countries in the world, especially ASEAN. ASEAN's youth unemployment rate in the recent period has been higher than the adult unemployment rate, which may affect labour market imbalances. This study aims to analyse the factors affecting youth unemployment in ASEAN countries.

The variables to analyse youth unemployment are population aged 0-14 years, Foreign Direct Investment (FDI), labour productivity, and trade openness. This study uses secondary data from 10 ASEAN countries for the period 2013-2022. The method used is panel data analysis using the Fixed Effect Model (FEM).

The results showed that population aged 0-14 years, FDI, and trade openness have a negative and significant effect on youth unemployment. Meanwhile, labour productivity have a positive and significant effect on youth unemployment in ASEAN countries in 2013-2022.

Keyword: Youth unemployment, Trade Openness, Foreign Direct Investment, Labour Productivity, Fixed Effect Model