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DETERMINANTS OF YOUTH UNEMPLOYMENT IN SOUTH AFRICA

Abstract:

The study empirically investigates the determinants of youth unemployment in South Africa using quarterly time series data from the period of 2008 to 2015. The main objective of this study is to investigate the main determinants of youth unemployment in South Africa. The study used or employed Vector Error Correction Model (VECM). The variables used in this study are Youth unemployment, education, Gross Domestic Product (GDP), inflation and Foreign Direct Investment (FDI), all these variables affect youth unemployment directly and indirectly. The data for this study was obtained from International Monetary Fund (IMF), World Bank and South Africa reserve bank (SARB). The results showed that education has a negative relationship and statistically significant to youth unemployment. Diagnostic and stability tests revealed that the model is good and stable in determining the impact of the determinants of youth unemployment.

Keywords:

youth unemployment, determinants, vector error correction model (VECM), South Africa

JEL Classification: E24