

CAUSATIVE FACTORS OF YOUTH UNEMPLOYMENT IMPACTED FROM GLOBAL ECONOMIC CRISIS

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ABSTRACT

Objective: The global economic crisis has had a profound impact on youth unemployment, affecting young job seekers both directly and indirectly. As a result, they are confronted with limited job opportunities, which, in turn, elevates the risk of long-term unemployment. Furthermore, this crisis has created significant barriers to achieving financial independence through secure, stable employment. Therefore, this paper aims to examine the underlying causative factor of youth unemployment that have been exacerbated by the global economic crisis.

Research Method: In this study, a questionnaire survey was conducted to collect the perspectives of both employees at the UAE Ministry of Labor and Productivity and young job seekers. The questionnaire was designed to investigate the underlying causes of youth unemployment, especially in light of the global economic crisis. Respondents were asked to assess the significance of various factors from their standpoint, using a 5-point Likert scale. Data collected from the survey was analysed descriptively.

Findings: It was found that the top position is ER6, representing Policies and Support Measures, with a leading mean value of 4.568. Following closely in the second rank is ITT4, addressing Effects on the labour force, with a mean value of 4.485. The third rank is held by ITT2, associated with Job losses within affected sectors, boasting a mean value of 4.448. The last rank is occupied by ER3, denoting Long-term scarring effects, with a mean value of 3.277.

Originality: Hopefully, this study able to assist in handling youth unemployment especially during the global economic crisis.

Keywords: global economic crisis, youth unemployment, causative factors

1. INTRODUCTION

The global economic crisis has undeniably exacerbated the issue of youth unemployment, a concern recognized worldwide, with the young workforce being particularly vulnerable to economic fluctuations (Bell & Blanchflower, 2011). This problem is not an exception in the United Arab Emirates (UAE), where youth unemployment rates continue to draw concern. A clear understanding of this issue is necessary to formulate effective policies and interventions. The economic crisis, notably the 2008 global financial recession, has left a detrimental impact on the global employment landscape. Among those most affected are young people, causing widespread concern for their future economic wellbeing and employment prospects (Bell & Blanchflower, 2011). In the UAE, despite significant economic development and wealth, youth unemployment remains a critical concern.

According to the Federal Competitiveness and Statistics Centre (FCSC), the youth unemployment rate in the UAE was 12.1% in 2019 (FCSC, 2020) as figure 1. Strikingly, the rate was almost double for young women, indicating considerable gender disparities in the job market (FCSC, 2020). The youth unemployment issue became more pronounced following the global economic crisis. High oil prices and government investments initially insulated the UAE from the crisis's immediate impact. However,

as the prices declined and the government reduced public sector jobs, the repercussions became evident. The youth unemployment rate escalated, reaching 26.3% in 2010 (World Bank, 2011). This rise can be attributed to an influx of skilled expatriates vying for jobs, leading to further displacement of Emirati youth from the labour market.

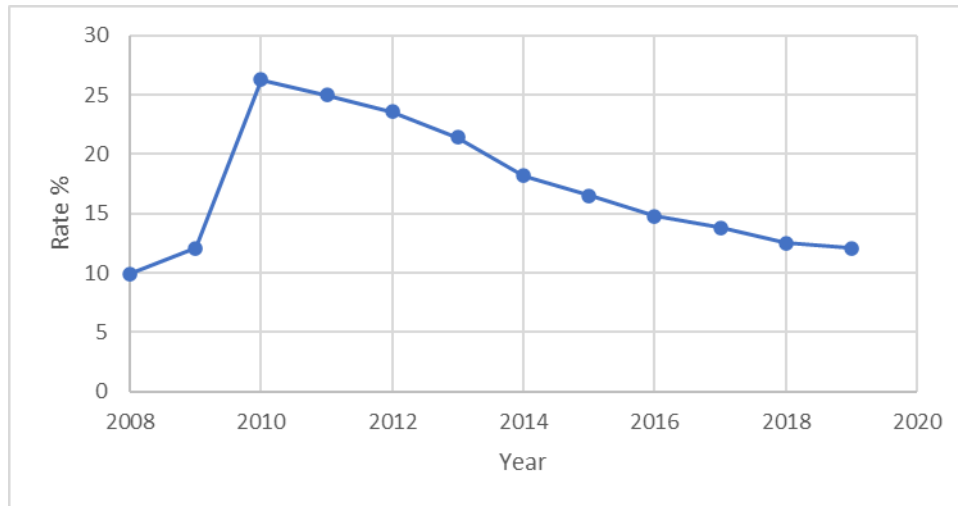


Figure 1: Youth Unemployment Rate in the UAE (2008-2019)
Source: (World Bank, 2020)

The prevailing policy measures designed to alleviate the issue of youth unemployment in the United Arab Emirates (UAE) appear insufficient in the face of persistent challenges. Despite the government's commendable investments in education and the introduction of Emiratization policies aimed at integrating UAE nationals into the private sector, significant hurdles remain. A discernible gap exists between the skills possessed by graduates and those demanded by employers, resulting in persistently high youth unemployment rates, despite the UAE's expanding economy.

Addressing this complex problem necessitates the development of a comprehensive policy framework that delves into the root causes of youth unemployment and fosters an inclusive job market. Such a framework should prioritize investments in education and vocational training, actively promote youth employment, tackle gender disparities, and engage the private sector in creating job opportunities.

Even with the government's ongoing initiatives, a prospective policy development framework must holistically address these issues. Without an integrated approach, the youth unemployment challenge in the UAE may worsen, leading to increased social inequality, decreased productivity, and potential threats to social stability.

The impact of the global economic crisis on youth unemployment in the UAE demands serious attention. Establishing a comprehensive and sustainable policy framework that addresses the issue at its roots is paramount to ensuring the UAE's future economic prosperity. Active engagement with this problem will not only secure a brighter future for the nation's youth but also significantly contribute to the country's socio-economic development and stability.

The global economic crisis has left a profound impact on economies around the world, and one of its significant repercussions has been the escalation of youth unemployment. This problem statement delves into the challenges posed by the global economic crisis and its specific implications for youth unemployment within the context of the United Arab Emirates (UAE).

The global economic crisis of 2008 had far-reaching consequences on economies worldwide, leading to disruptions in various sectors, including employment. While the UAE has emerged as a dynamic and resilient economy, it was not immune to the shocks of this crisis. Youth unemployment became a pressing concern during this period and has continued to be a challenge even in the years that followed.

According to the International Labor Organization (ILO), youth unemployment in the UAE has exhibited concerning trends in the wake of the global economic crisis. As per the ILO's report on "Global Employment Trends for Youth 2020," the UAE's youth unemployment rate has experienced fluctuations and remains at levels that warrant attention (ILO, 2020). These fluctuations and persistently high youth unemployment rates not only have immediate economic consequences but also raise long-term concerns related to social stability and the potential waste of human capital.

The critical issue of youth unemployment exacerbated by global economic crises within the UAE underscores the need for proactive policy development and strategic interventions to ensure that the nation's young workforce can overcome these challenges and contribute to the country's long-term economic growth and prosperity. It acknowledges that the challenges posed by economic crises are multifaceted and require comprehensive policy responses to provide opportunities for the country's youth population. (Hanna, A.L., 2014). Hence, this study aimed of developing a relationship of global economic crisis factors affecting youth unemployment in UAE.

2. LITERATURE REVIEW

2.1 GLOBAL ECONOMIC CRISIS

A historical perspective on global economic crises is essential to appreciate their evolution, causes, and consequences. Understanding past crises, such as the Great Depression of the 1930s, the oil crisis of the 1970s, and the global financial crisis of 2008, enables us to identify recurring patterns, triggers, and the varying impacts on economies and societies worldwide. Each crisis has left an indelible mark on the world's economic landscape and serves as a valuable lesson in crisis management and mitigation

The Global Economic Crisis, colloquially referred to as the Great Recession, was a major worldwide economic downturn that began in 2007 and persisted until 2009. It was the most severe financial crisis since the Great Depression (1929) and had a profound impact on economies across the globe (Mishkin, 2011). This essay provides an overview of the crisis, its causes, and the far-reaching impacts it had on the global economy.

The crisis originated in the United States due to a complex interplay of valuation and liquidity problems in the banking system in 2008 (Demyanyk & Van Hemert, 2011). A sharp increase in subprime lending, coupled with an unprecedented rise in housing prices, led to a housing bubble in the country. When the bubble burst, it resulted in a precipitous decline in home prices across the nation, leading to high levels of defaulted loans. Financial institutions worldwide, which had heavily invested in subprime mortgages, faced immense losses (Mian & Sufi, 2009).

The collapse of Lehman Brothers, one of the world's largest investment banks, was a significant milestone in the crisis. This event sent shockwaves through the global financial system, leading to severe instability and lack of trust among financial institutions. This reduced liquidity in the market, making it challenging for businesses and consumers to access credit, further exacerbating the economic slowdown (Investopedia, 2020).

The Global Economic Crisis had far-reaching effects on the global economy. According to the World Bank (2009), the crisis led the global economy to contract by 1.7% in 2009. As the crisis spread from the financial sector to the real economy, global trade volumes significantly declined, leading to a contraction in production. Furthermore, the crisis led to a significant decrease in GDP, an increase in

unemployment rates, and the destabilization of financial markets worldwide (OECD, 2009).

The crisis also led to large-scale public interventions aimed at stabilizing the financial system and preventing a complete economic collapse (Laeven & Valencia, 2012). Governments worldwide pumped trillions of dollars into the economy in the form of fiscal stimulus packages. Despite these measures, the economic recovery was slow, and the crisis had long-term impacts on global economic growth.

In conclusion, the Global Economic Crisis of 2007-2009 was a pivotal moment in the history of the global economy. It reshaped economic policies worldwide, led to a rethinking of the relationship between the state and the market, and reiterated the need for strong regulatory frameworks to prevent such crises in the future.

2.1.1 IT IMPACTS ON GLOBAL ECONOMIC

The Global Economic Crisis, also known as the Great Recession, was the most severe economic downturn since the Great Depression of the 1930s. This event had profound impacts on the global economy, leading to significant declines in global output, unemployment surges, and financial market instability. This essay will discuss these impacts in detail, backed by relevant statistics.

According to the World Bank (2009), the crisis caused the global economy to contract by 1.7% in 2009, marking the most substantial global economic contraction since the Second World War. Advanced economies, including the United States, Europe, and Japan, were significantly affected, with their combined GDP dropping by 3.7% in 2009. Emerging economies also faced reduced growth rates, despite being initially resilient to the crisis. China, for instance, saw its GDP growth rate decline from 14.2% in 2007 to 9.4% in 2009 (The World Bank, 2010).

The crisis severely impacted global labor markets, with the global unemployment rate rising from 5.5% in 2007 to 5.9% in 2009, representing an increase of approximately 34 million unemployed individuals globally (International Labour Organization, 2010). In the United States, the unemployment rate more than doubled, rising from 4.6% in 2007 to 9.6% in 2010 (U.S. Bureau of Labor Statistics, 2011).

Furthermore, the crisis disrupted global financial markets. The Dow Jones Industrial Average, a key barometer of the U.S. stock market, fell by over 50% from its peak in October 2007 to its nadir in March 2009 (MarketWatch, 2010). Globally, stock markets lost approximately \$26 trillion in value in 2008. The crisis also triggered severe instability in the banking sector, with numerous banks requiring government bailouts to avoid bankruptcy (Verick & Islam, 2010).

In conclusion, the Global Economic Crisis had far-reaching impacts on the global economy, affecting both advanced and emerging economies. It led to substantial declines in global output, significant increases in unemployment, and severe disruptions in financial markets. Understanding these impacts is crucial to devise effective policy responses for future crises

2.2 YOUTH UNEMPLOYMENT

Global trends in youth unemployment have been a subject of growing concern and scrutiny in recent years. The issue of youth unemployment transcends national borders and has significant implications for both individual countries and the global economy as a whole. Several key trends and patterns have emerged in the realm of youth unemployment, shedding light on the challenges and opportunities that young people face in the labour market.

One notable trend is the persistently higher unemployment rates among young people compared to adults. This phenomenon, often referred to as the "youth unemployment gap," has been a recurring issue in many countries. According to the International Labour Organization (ILO), youth unemployment rates have consistently remained higher than those of adults, and this gap has been particularly pronounced in regions such as Sub-Saharan Africa and the Middle East (ILO, 2020). Factors

contributing to this gap include limited work experience, lower educational attainment, and barriers to accessing the labour market.

Furthermore, the global financial crisis of 2008 had a profound impact on youth unemployment trends. In the aftermath of the crisis, many countries experienced a surge in youth unemployment rates, as economic downturns led to reduced hiring and layoffs. This crisis-induced spike in youth unemployment highlighted the vulnerability of young workers to economic shocks and underscored the need for targeted policies to support youth employment (O'Higgins, 2012).

A more recent trend is the increasing prevalence of precarious and informal employment among young people. Many young workers find themselves in part-time, temporary, or gig economy jobs with limited employment security and social protections. This shift towards precarious work has implications for income stability, career advancement, and access to benefits such as healthcare and retirement savings (ILO, 2019).

Additionally, the ongoing digital transformation of economies has reshaped the nature of work and created both opportunities and challenges for young job seekers. While technology-driven industries offer new possibilities for employment, they also demand specific skills and adaptability. Ensuring that young people are equipped with the digital skills necessary for the evolving job market has become a priority for many governments and organizations (World Bank, 2016).

In response to these global trends, various policy initiatives and youth employment programs have been introduced to address the issue of youth unemployment. These initiatives often focus on skills development, apprenticeships, entrepreneurship support, and labour market integration. International organizations like the United Nations and the World Bank have also emphasized the importance of youth employment as a means of achieving sustainable development goals (UN, 2020; World Bank, 2019).

In conclusion, global trends in youth unemployment reflect the complex interplay of economic, social, and technological factors. While challenges persist, there is a growing recognition of the need for targeted policies and interventions to support young people in their transition to the labour market and to harness their potential as a valuable workforce in the global economy.

2.2.1 GLOBAL ECONOMIC CRISIS AFFECTING YOUTH UNEMPLOYMENT

The Global Economic Crisis of 2007-2009, the most severe economic downturn since the Great Depression, had a profound impact on youth unemployment worldwide. This essay explores the trends and consequences of global youth unemployment in the aftermath of the crisis, supported by statistical evidence. The crisis led to significant job losses worldwide, disproportionately affecting the youth demographic—those between the ages of 15 and 24. According to the International Labour Organization (ILO, 2012), the global youth unemployment rate rose from 11.8% in 2007 to a peak of 13.2% in 2013, indicating that an additional 13.1 million young people were unemployed due to the crisis. This increase in youth unemployment was more pronounced in certain regions. For instance, in the European Union, the youth unemployment rate rose from 15.7% in 2007 to a staggering 23.9% in 2013 (Eurostat, 2014). In countries like Spain and Greece, more than half of the youth labour force was unemployed at the peak of the crisis (OECD, 2014). The rise in youth unemployment had significant economic and social implications. Economically, high youth unemployment leads to a loss of income, increased poverty, and wasted human capital, which can have long-term effects on productivity and economic growth (Bell & Blanchflower, 2011). Socially, it can lead to social exclusion, increased crime rates, and mental health issues among young people (Furlong, 2012). Several factors contributed to the high youth unemployment rates post-crisis. The collapse of certain sectors, such as construction and finance, where young people were overrepresented, was a major factor (Scarpetta et al., 2010). Additionally, as firms reduced hiring during

the crisis, new entrants to the labour market predominantly young people found it challenging to secure employment (OECD, 2016). In conclusion, the Global Economic Crisis significantly affected youth unemployment rates worldwide, leading to increased social and economic challenges. Understanding these trends and their implications is essential for policymakers to develop strategies to improve youth employment prospects and mitigate the long-term impacts of the crisis.

2.2.2 CAUSES OF YOUTH UNEMPLOYMENT

Youth unemployment in the United Arab Emirates (UAE) is influenced by a combination of factors. One significant cause is the educational mismatch between the skills and qualifications possessed by young job seekers and the demands of the job market. The UAE has experienced rapid growth in its education system, but it may not always align with the skills needed by employers. This mismatch can make it challenging for young graduates to find employment that matches their educational background.

Inadequate work experience is another factor contributing to youth unemployment. Many young people lack the work experience required for certain positions. Employers often seek candidates with relevant experience, which can disadvantage young job seekers who are just entering the workforce. This experience gap can lead to difficulties in securing their first job and gaining the necessary skills for career advancement. Emiratisation policies, designed to promote the employment of UAE nationals in the private sector, can have unintended consequences. While these policies are meant to enhance the job prospects of Emiratis, some may still face challenges in finding jobs that match their qualifications and expectations. This can lead to frustration and unemployment among young UAE nationals (Farzanegan, M.R. and Gholipour, H.F., 2021).

High expectations among young job seekers are another factor in youth unemployment. Many Emirati youth have high aspirations for their first job, often seeking well-paying and prestigious positions. When suitable opportunities are limited, these high expectations can lead to unemployment as young job seekers wait for their ideal job to become available.

Competition with expatriate workers also plays a role in youth unemployment. The UAE has a significant expatriate workforce, and these workers may be willing to accept lower wages, affecting the employment prospects of young Emiratis. In some cases, employers may choose to hire expatriates due to cost considerations, leading to reduced opportunities for young UAE job seekers.

Furthermore, limited consideration of entrepreneurship or self-employment as a viable career option can constrain job opportunities for young Emiratis. Some young people may not explore these avenues, limiting their employment options to traditional roles within established organizations.

Economic factors, such as economic fluctuations and global economic crises, can have a direct impact on job availability, particularly in sectors that typically employ young workers. Economic downturns can lead to reduced hiring and layoffs, increasing competition for a limited number of job opportunities.

Gender disparities can also affect youth unemployment, with young Emirati women facing unique challenges in accessing the job market. Societal and family expectations may influence the choices and opportunities available to young women, potentially impacting their employment prospects. Skill gaps in emerging sectors, such as technology and renewable energy, may further exacerbate youth unemployment. These sectors may require skills that are not readily available among young job seekers, creating a gap between the skills in demand and the skills possessed by young Emiratis. Finally, limited information and guidance about available job opportunities and career paths can hinder young job seekers' efforts. Some young Emiratis may lack access to resources and support that could help them make

informed decisions about their careers and job searches (Daleure, G. and Daleure, G., 2017).

Addressing youth unemployment in the UAE requires a multifaceted approach, including targeted investments in education and skills development, efforts to align education with labour market demands, encouraging entrepreneurship, and providing comprehensive career guidance and support to young job seekers. Policymakers and stakeholders must work together to create an environment that fosters youth employment and ensures the UAE's young workforce is well-prepared for the job market.

2.3 CAUSATIVE FACTORS OF YOUTH UNEMPLOYMENT DURING GLOBAL ECONOMIC CRISIS

Youth unemployment, exacerbated by the global economic crisis, can be attributed to a variety of causative factors. These factors create a complex web of challenges for young job seekers, making it increasingly difficult for them to secure employment and achieve financial stability.

One of the primary factors contributing to youth unemployment during economic crises is the **economic downturn** itself. These crises result in reduced business expansion and heightened uncertainty in the job market. During such periods, businesses may cut back on hiring and investments, particularly in industries that typically employ younger individuals. This economic slowdown leads to a decrease in job opportunities for youth, making it harder for them to secure their first job or gain valuable work experience.

Limited experience is another significant issue. Young job seekers typically have less work experience compared to their older counterparts. Employers, faced with economic uncertainty, may be less inclined to hire and invest in training inexperienced workers. This lack of experience can hinder young people's ability to compete for job openings and secure employment.

Education and training disruptions also play a critical role in youth unemployment during economic crises. These downturns can disrupt education and training plans for young individuals. Financial constraints and shifting priorities due to the crisis can lead to temporary or permanent reductions in qualifications and skills. This disruption hinders the employability of young workers and their ability to meet the changing demands of the job market.

Increased competition further compounds the issue. Economic downturns lead to experienced workers losing their jobs, further intensifying the competition for entry-level positions. Young job seekers must compete with these experienced individuals for a limited number of job openings, making it more challenging to secure employment.

Underemployment is yet another challenge faced by young job seekers. In the face of a limited job market, many young workers may find themselves forced to accept part-time or low-paying jobs that do not align with their skills or qualifications. This underemployment not only hinders career advancement but also impacts their financial stability, as these positions often offer lower wages and limited opportunities for growth.

Wage stagnation is also a concern. Economic crises can lead to wage stagnation and reduced starting salaries for young workers, affecting their long-term earning potential and overall financial well-being. This wage gap can persist over time, contributing to income inequality among different age groups.

Perhaps one of the most concerning factors is the potential long-term scarring effects on young workers' careers. It may take years to recover lost income and job prospects, further contributing to income inequality among different age groups.

These causative factors paint a comprehensive picture of why youth unemployment becomes particularly pronounced during global economic crises. To

mitigate these challenges, it's imperative for policymakers to implement targeted measures, such as subsidized employment programs, skills development initiatives, and support for entrepreneurship, to support young job seekers during challenging economic times.

The convergence of a global economic crisis, characterized by factors like economic recession, stock market performance, international trade trends, and foreign direct investment (FDI), has had a profound impact on youth unemployment. Economic recessions, often triggered by financial crises or other macroeconomic shocks, result in reduced business expansion and investments. Consequently, businesses tend to scale back hiring, which significantly affects youth unemployment rates. Young job seekers, with limited experience, tend to face more substantial challenges securing employment during economic downturns. The performance of stock markets can further exacerbate the situation. A robust stock market often boosts investor confidence and encourages business expansion, which can lead to job creation. Conversely, stock market volatility and sharp declines can erode confidence, resulting in reduced investments and job opportunities, which disproportionately impact young workers who are looking to gain a foothold in their careers. International trade trends play a pivotal role in shaping youth unemployment. When global trade is disrupted due to trade tensions, protectionist policies, or other factors, industries that rely on exports and imports may suffer, leading to job losses. Young people looking for employment may find fewer opportunities in these industries, particularly when international trade trends take a negative turn. Foreign direct investment (FDI) also factors into the equation. FDI can foster economic growth by bringing in new businesses and industries, which should ideally create job opportunities. However, the impact on youth employment depends on where FDI is directed. If FDI primarily flows into sectors that do not align with the skills and qualifications of young workers, the job creation may not be accessible to them, leading to underemployment or unemployment.

2.3.1 ECONOMIC RECESSION

Economic recessions have a significant and often disproportionate impact on youth unemployment, creating a challenging environment for young job seekers. During a recession, a general economic downturn unfolds, leading to reduced business expansion and heightened uncertainty in the job market. Several factors contribute to the strong link between economic recession and youth unemployment, making it a particularly vulnerable group during these crises. One critical factor is the limited experience of many young job seekers compared to older workers. Employers, faced with economic uncertainty, may be less inclined to hire and invest in training inexperienced workers, making it especially hard for youth to secure their first job or gain valuable work experience. Education and training plans for young people often face disruptions during economic downturns. Financial constraints and shifting priorities due to the crisis can lead to temporary or permanent reductions in their qualifications and skills, hindering their employability. Competing for entry-level jobs becomes more challenging as experienced workers who have lost their jobs during a recession also seek new employment. The increased competition can further limit job opportunities for young workers, leading to a competitive disadvantage. Young workers may find themselves forced to accept part-time or low-paying jobs that do not align with their skills or qualifications, resulting in underemployment. These underemployed positions hinder career advancement and financial stability, as they often offer lower wages and limited opportunities for growth. The recession can lead to wage stagnation and reduced starting salaries for young workers, affecting their long-term earning potential and overall financial well-being. This disparity in income can persist over time, leading to a persistent wage gap compared to those who entered the workforce during better economic conditions. Recessions can also cause long-term scarring

effects on young workers' careers. It may take years to recover lost income and job prospects, further contributing to income inequality among age groups.

The economic downturn can delay young people's achievement of financial independence, such as moving out of their parents' homes, buying homes, or starting families, with broader social and economic implications.

Prolonged unemployment and financial instability during recessions can negatively affect the mental health of young people, potentially impacting their overall well-being and productivity.

To address youth unemployment during economic recessions, policymakers and governments often implement targeted measures. Subsidized employment programs encourage job creation by providing subsidies to employers hiring young workers. Skills development initiatives, investment in education and training, and apprenticeship programs equip young people with relevant skills and qualifications, increasing their attractiveness to employers. Youth employment services offer tailored job placement and counselling services. Support for entrepreneurship and self-employment opportunities empowers young individuals to create their jobs. Wage subsidies and temporary employment relief programs incentivize employers to hire young workers and provide financial assistance during economic downturns. Psychological and social support networks, including mental health services, assist young people in coping with the stress and uncertainty of unemployment during a recession. The strong connection between economic recession and youth unemployment underscores the critical need for proactive policies and support systems to mitigate the long-lasting effects of economic crises on young people's careers and economic prospects. The extracted causative factors are as in table 1.

Table 1: Extracted causative factors of economic recession domain

Code	Causative factors	Question based on the factor
ER1	Limited experience	Do you agree that limited work experience contribute to youth unemployment during economic recessions?
ER2	Wage stagnation	Do you agree that wage stagnation and reduced starting salaries impact the long-term earning potential of youth during recessions?
ER3	Long-term scarring effects	Do you agree that long-term scarring effects on youth careers are a lasting consequence of economic recessions?
ER4	Financial independence	Do you agree that economic recessions can delay young people's achievement of financial independence, with broader social and economic implications?
ER5	Mental health implications	Do you agree that prolonged unemployment and financial instability during recessions negatively affect the mental health of young people?
ER6	Policies and Support Measures	Do you agree that the implementation of policies and support measures to address youth unemployment during economic recessions?
ER7	Proactive policies	Do you agree that proactive policies are necessary to mitigate the long-lasting effects of economic crises on young people's careers and economic prospects?

2.3.2 STOCK MARKET PERFORMANCE

Stock market performance can exert an indirect influence on youth unemployment by shaping the overall economic landscape and employment opportunities. The connection between stock markets and youth unemployment is intricate, with several key dynamics illustrating how stock market performance can

affect young job seekers. When stock markets exhibit strong performance and businesses witness an increase in their stock prices, they often gain confidence in investing in expansion and hiring new employees. A robust stock market can thus contribute to job creation, potentially benefiting young workers who are often in search of employment opportunities.

Moreover, the buoyancy of the stock market can have a positive impact on consumer confidence. This boost in confidence can lead to increased consumer spending and economic growth, which, in turn, may result in job opportunities across various sectors. Industries that frequently employ young individuals, such as retail and hospitality, can particularly benefit from the augmented economic activity. Many young workers participate in retirement plans and pension funds connected to the stock market. A thriving stock market can lead to healthier retirement savings, alleviating the financial burden on young people who may otherwise need to support retirees, including their own family members.

Nevertheless, it is vital to acknowledge the potential downsides of stock market performance on youth unemployment. Stock markets are inherently volatile, and sudden declines in stock prices can lead to reduced business confidence and investment, which can negatively impact youth employment opportunities. Severe and prolonged stock market downturns may lead to broader economic recessions, resulting in reduced job prospects for young individuals as businesses curtail hiring during periods of economic uncertainty. Moreover, stock market performance can exacerbate wealth disparities. While a relatively small segment of the population benefits significantly from a bull market, others may not have substantial stock market investments, potentially leading to disparities in financial well-being and job opportunities among young workers. The types of jobs often associated with young workers, including entry-level or part-time positions, may be particularly susceptible to economic downturns and business contractions. Consequently, young people may find it more challenging to secure employment during periods of stock market volatility and decline.

In summary, stock market performance can have an impact on youth unemployment by indirectly influencing broader economic conditions, business investment, and consumer confidence. Positive stock market performance can contribute to job creation and economic growth, benefiting young job seekers. Conversely, stock market volatility and downturns can lead to reduced hiring and increased youth unemployment, necessitating vigilance from policymakers and young workers to mitigate the potential effects of stock market fluctuations on employment prospects and the overall economy. The extracted causative factors are as in table 2.

Table 2: Extracted causative factors of economic recession domain

Code	Causative factors	Question based on the factor
SMP1	Reduced business confidence and investment	Do you agree that a negative stock market performance can lead to reduced business confidence and investment?
SMP 2	Economic downturns and reduced job prospects	Do you agree that economic downturns resulting from a declining stock market can negatively impact job prospects for youth?
SMP 3	Exacerbates wealth disparities among young workers	Do you agree that a declining stock market exacerbates wealth disparities among youth?
SMP 4	Affects job security for entry-level	Do you agree that a negative stock market performance affects job security for entry-level?
SMP 5	Indirectly influences employment opportunities	Do you agree that the general impact of stock market performance indirectly influences employment opportunities for youth?

2.3.3 INTERNATIONAL TRADE TRENDS

International trade trends exert a substantial influence on unemployment, affecting both global and domestic job markets. These trends reflect the flow of goods, services, and investments between countries, and they can have various consequences on employment: One of the most significant impacts of international trade trends is the potential for job displacement in certain industries. When a country opens its markets to global competition, domestic industries that cannot compete effectively may face decline or even closure. This can lead to layoffs and job losses within those sectors, contributing to unemployment in the short term. On the flip side, international trade trends can also create new employment opportunities. As countries specialize in industries where they have a comparative advantage and export their goods and services, this can stimulate job growth in sectors that are export-oriented. For instance, manufacturing and technology industries may expand, leading to increased employment within these fields.

Moreover, international trade trends can indirectly influence employment by affecting overall economic growth. When a country engages in global trade, it can boost its economic activity, which, in turn, may lead to increased consumer spending, business expansion, and job creation across various sectors. However, the impacts of international trade trends on unemployment can be unevenly distributed across the labour force. While some individuals may benefit from increased job opportunities in export-oriented industries, others may face unemployment if their skills and expertise are not aligned with the growing sectors of the economy. Additionally, the displacement of jobs in certain industries due to international trade can have social and political ramifications. It may lead to economic and social inequality, as those who lose their jobs may not easily transition to new opportunities or may face wage stagnation in their new positions.

In summary, international trade trends significantly impact unemployment, both positively and negatively. They can lead to job displacement in sectors unable to compete on a global scale, while simultaneously creating new job opportunities in export-oriented industries. The overall influence of international trade trends on unemployment depends on various factors, including a country's economic policies, workforce adaptability, and the ability of industries to adapt to changing global market dynamics. To address the employment challenges posed by international trade, it's essential for policymakers to consider retraining and reskilling programs, trade policies, and labour market reforms that can help mitigate the adverse effects on the workforce and promote job creation in growing industries. The extracted causative factors are as in table 3.

Table 3: Extracted causative factors of international trade trends domain

Code	Causative factors	Question based on the factor
ITT1	Closure of domestic industries due to global competition	Do you agree that the closure of domestic industries due to global competition contributes to youth unemployment?
ITT 2	Job losses within affected sectors	Do you agree that job losses within affected sectors are a significant factor in youth unemployment?
ITT 3	Short-term contribution to unemployment	Do you agree that these factors have a short-term impact on youth unemployment?
ITT 4	Effects on the labour force	Do you agree that these factors have varying

		effects on the labor force?
ITT 5	Face unemployment if their skills are not aligned with growing sectors	Do you agree that youth may face unemployment if their skills are not aligned with the growing sectors of the economy?
ITT 6	Economic and social inequality	Do you agree that to address economic and social inequality to reduce youth unemployment?
ITT 7	Difficulty transitioning to new opportunities	Do you agree that the difficulty of transitioning to new opportunities contributes to youth unemployment?
ITT 8	Possible wage stagnation in new positions	Do you agree that possible wage stagnation in new positions negatively affects youth employment prospects?

2.3.4 FOREIGN DIRECT INVESTMENT (FDI)

Foreign Direct Investment (FDI) can significantly impact youth unemployment in various ways, with the effects varying based on the specific circumstances and policies of the host country. FDI occurs when foreign entities invest in the economy of another nation, and it plays a crucial role in shaping the employment landscape for young workers. One of the most direct and positive effects of FDI on youth unemployment is job creation. Foreign investors often establish or expand businesses in host countries, leading to an increase in job opportunities. These investments can benefit young people, particularly if FDI is concentrated in industries that align with their skills and qualifications. As foreign companies require a skilled and youthful workforce, young job seekers can find quality employment opportunities (Setyanti, A.M. and Wahyudi, S.T., 2021).

In addition to job creation, FDI can contribute to the development of human capital. Foreign investors often bring advanced technologies, management practices, and training methods that can enhance the skill levels of the local workforce, including young workers. This improved skillset can make young job seekers more competitive and better equipped to secure employment, ultimately reducing youth unemployment (Suyunov, A., 2022).

FDI can stimulate economic growth by attracting foreign capital and expertise. A growing economy often results in increased job opportunities, benefiting not only young workers but the entire labour force. This economic expansion can be particularly advantageous for young job seekers looking for stable and well-paying employment opportunities.

Moreover, FDI can foster a culture of entrepreneurship and innovation. As foreign investors introduce new ideas and business practices, they may inspire local entrepreneurs, including young individuals, to start their businesses or work in innovative industries. This can lead to further job creation and economic diversification (Majocchi, A. and Presutti, M., 2009).

However, it is important to note that FDI is not without its challenges. While FDI brings many benefits, it can also exacerbate income inequality. Young workers who lack the required skills or education may not have access to job opportunities created by FDI, leading to disparities in income and employment opportunities.

Additionally, FDI can introduce labour market flexibility, making it easier for companies to hire and fire workers. This flexibility can have both positive and negative effects on young workers. On one hand, it can make it easier for young job seekers to enter the labour market, but on the other hand, it may result in job instability, potentially leading to a lack of job security for young employees.

Thus, FDI can significantly impact youth unemployment, **providing job opportunities, skill development, and economic growth**. To maximize its positive effects, policymakers should consider implementing policies that support education and skills development, ensure a conducive business environment for foreign investors, and create programs that facilitate the integration of young workers into the workforce. Striking a balance between attracting foreign investment and safeguarding the interests of the local workforce, especially young job seekers, is essential for achieving sustainable economic growth and reducing youth unemployment. The extracted causative factors are as in table 4.

Table 4: Extracted causative factors of Foreign Direct Investment domain

Code	FDI Factors	Questions
FDI1	Job Creation	Do you agree that due to global economic crisis less FDI causing lack of job creation resulted to youth unemployment?
FDI2	Development of Human Capital	Do you agree that due to global economic crisis less FDI causing lack of development of human capital resulted to youth unemployment?
FDI3	Stimulating Economic Growth	Do you agree that due to global economic crisis less FDI causing lack of stimulating economic growth resulted to youth unemployment?
FDI4	create Income Inequality	Do you agree that due to global economic crisis less FDI create Income Inequality resulted to youth unemployment?
FDI5	Labor Market Flexibility	Do you agree that due to global economic crisis less FDI causing lack of labor market flexibility resulted to youth unemployment?

3. DATA COLLECTION

The questionnaire was developed to explore the causal factors behind youth unemployment resulting from the global economic crisis. Respondents were asked to indicate the level of significance, based on their perspectives, using a 5-point Likert scale.

The study focused on a specific population, namely employees of the UAE Ministry of Labor and Productivity and young job seekers. To gather data, the study distributed 500 questionnaires using a random sampling approach based on Musa's (2016) method. Out of these, 379 questionnaires were promptly returned. However, after a thorough review, it was identified that four of the returned questionnaires contained irregularities, such as missing values and outliers. Consequently, the study excluded these four questionnaires from the dataset, resulting in a total of 375 valid and usable questionnaires for analysis. The collected data was analysed descriptively using SPSS software.

4. RESULTS AND ANALYSIS

4.1.1 NORMALITY TEST

Many multivariate analysis tools require that data adhere to the assumption of a normal distribution without skewness. This idea of normality is based on the concept of a bell-shaped curve, resembling a symmetrical mountain, which represents the expected distribution of data within a population. Deviations from this expected pattern, leading to asymmetry, can introduce complexities into the statistical analysis of data distributions.

Emphasizing the importance of this assumption, it is crucial to note that a skewed or excessively kurtotic data distribution can significantly impact the

specification and estimation of statistical procedures (Hair Jr., Black, Babin, & Anderson, 2010; Tabachnick & Fidell, 2007).

Various techniques are available for assessing data normality, including both statistical and graphical methods. Graphical approaches involve tools such as the Normal Q-Q plot and histograms, assuming that the data adheres to a normal distribution curve. In our study, we used the 'explore' function in SPSS to meticulously examine the distribution characteristics of the data. Upon close inspection, all variables appeared to conform to a relatively normal distribution, with no noticeable deviations from the norm.

To bolster the credibility of this observation, our research applied statistical measures to assess data normality, with a particular focus on skewness and kurtosis. Skewness provides insights into the symmetry of the data distribution, while kurtosis indicates the degree of peakedness in the distribution, whether it is excessively peaked (characterized by short, thick tails) or overly flat (characterized by long, thin tails) (Tabachnick & Fidell, 2007).

Several guidelines exist for assessing skewness and kurtosis to determine normality. Notably, skewness and kurtosis values within the range of -3 to +3 are commonly considered indicative of a normal distribution, as advocated by Hair Jr. et al. (2010), Pallant (2011), and Tabachnick & Fidell (2007). However, a more stringent range of -2 to +2 for skewness and kurtosis is also deemed suitable for parametric tests, signifying a symmetrical distribution, as emphasized by George & Mallery (2010). To provide a comprehensive assessment, this study presents the skewness and kurtosis values for all constructs in Table 5, which is provided below.

Table 5: Normality assessment

Causative Factors	Kurtosis	Skewness
ER1	-0.411	-0.393
ER2	0.832	-1.077
ER3	-0.900	0.186
ER4	1.677	-1.132
ER5	-0.688	-0.315
ER6	0.633	-1.334
ER7	-0.688	-0.315
SMP1	2.011	-1.518
SMP 2	-0.688	-0.315
SMP 3	-0.688	-0.315
SMP 4	-0.415	-0.400
SMP 5	1.496	-1.314
ITT1	-0.688	-0.315
ITT 2	2.366	-1.466
ITT 3	1.964	-1.126
ITT 4	-0.356	-0.807
ITT 5	0.445	-0.991
ITT 6	3.847	-1.987
ITT 7	-0.688	-0.315
ITT 8	0.697	-1.045
FDI1	3.027	-1.424
FDI2	-0.200	-0.476
FDI3	0.874	-1.089
FDI4	0.800	-1.078
FDI5	-0.470	-0.615

Table 5 indicates valuable insights into the distribution characteristics of the research constructs. Notably, all constructs analysed in this study exhibit kurtosis

values within the acceptable range of -3 to +3, in accordance with the conservative normality criteria advocated by prominent researchers such as Hair Jr. et al. (2010), Pallant (2011), and Tabachnick & Fidell (2007). This adherence to kurtosis norms reinforces the robustness of the data in terms of distribution characteristics (Hair Jr. et al., 2010). Moreover, an examination of skewness values reveals that the majority of the 30 constructs fall within the range of -1 to +1, signifying a near-symmetrical distribution. However, it is noteworthy that five constructs exhibit slightly higher skewness values, albeit still within the more lenient range of -3 to +3, as suggested by George & Mallery (2010). This deviation from perfect symmetry does not compromise the overall validity of the normality assumption for the data.

4.1.2 RELIABILITY TEST

Ensuring the internal consistency of constructs is vital as it ensures that the items within a construct effectively measure the same underlying concept. Reliability, in this context, refers to the extent to which research measurements are free from random error, indicating the consistency of results when measurements are repeated (Pallant, 2011). Consequently, the reliability of all constructs in this research was rigorously assessed to determine their internal consistency, with a primary focus on using Cronbach's alpha, a widely accepted measure of reliability.

Cronbach's alpha is a crucial metric in assessing reliability, and it serves as a benchmark for evaluating the consistency of a construct. It is recommended that Cronbach's alpha should ideally exceed 0.7 to demonstrate adequate reliability (Hussin, Rahman, & Memon, 2013; Pallant, 2011; Tabachnick & Fidell, 2007; Usman & Lizam, 2016). However, values exceeding 0.8 are preferred for greater reliability (Pallant, 2011).

In addition to Cronbach's alpha, the Inter-Item Correlation Matrix was examined as an important step in assessing the internal consistency of constructs. This matrix helps determine if the items within a construct are indeed measuring the same underlying concept (Pallant, 2011). Negative values in the Inter-Item Correlation Matrix may indicate issues with item scaling or scoring, suggesting that some items might need to be correctly reverse-scored.

Furthermore, Corrected Item-Total Correlation was explored to gauge the degree to which each item correlates with the total score of the construct. This analysis provides insights into the contribution of individual items to the overall construct measurement (Pallant, 2011).

The results of the reliability assessment, including Cronbach's alpha values and inter-item correlations, are presented in Table 6 below, offering a comprehensive view of the internal consistency of the research constructs

Table 6: Reliability Assessment Result

Groups	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Economic Recession	0.719	0.797	0.735	0.548
Stock market	0.824	0.772	0.798	0.575
International trade trends	0.860	0.746	0.767	0.559
Foreign direct investment	0.760	0.870	0.868	0.700

The reliability assessment results, as illustrated in Table 6, were conducted using Cronbach's alpha coefficient as the metric. In this research, there are five primary constructs, each with its own sub-constructs. The primary constructs include Project Management, which encompasses sub-constructs like cost, quality, scope, and time, as well as Innovation and Performance, with both constructs and their respective sub-constructs comprising five items each. The findings from this assessment are

noteworthy. Both the higher-order constructs and their lower-order sub-constructs demonstrated Cronbach's alpha coefficients within the range of 0.718 to 0.860. Importantly, these coefficients exceeded the recommended minimum threshold of 0.7, a criterion supported by Hair Jr. et al. (2010) and Pallant (2011), indicating strong internal consistency and reliability across all constructs and sub-constructs in the research

4.1.3 RANKING OF CAUSATIVE FACTORS

There are 25 causative factors contributing to youth unemployment in the context of global economic crisis, clustered into four groups: economic recession, stock market performance, international trade trends, and foreign direct investment. Data collected from the questionnaire survey on these 25 factors were analysed to calculate the mean and standard deviation values for each factor. The ranking of these factors is determined based on the mean value of each factor. In the event of a tie in mean values, the factor with a smaller standard deviation value is assigned a higher rank. The results of the ranking of these factors are presented in Table 7.

Table 7: Rank of causative factors contributing to youth unemployment

Code	Causative Factors	Mean	Standard Deviation	Rank
ER1	Limited experience	4.279	0.643	9
ER2	Wage stagnation	3.693	1.101	23
ER3	Long-term scarring effects	3.277	1.223	25
ER4	Financial independence	3.952	0.923	18
ER5	Mental health implications	4.276	0.638	11
ER6	Policies and Support Measures	4.568	0.677	1
ER7	Proactive policies	4.275	0.636	12
FDI1	Job Creation	4.437	0.674	4
FDI2	Development of Human Capital	4.277	0.656	10
FDI3	Stimulating Economic Growth	3.701	1.108	22
FDI4	create Income Inequality	3.715	1.121	21
FDI5	Labor Market Flexibility	3.736	1.106	20
ITT1	Closure of domestic industries due to global competition	4.273	0.638	15
ITT2	Job losses within affected sectors	4.448	0.724	3
ITT3	Short-term contribution to unemployment	4.312	0.701	6
ITT4	Effects on the labour force	4.485	0.623	2
ITT5	Face unemployment if their skills are not aligned with growing sectors	3.893	1.052	19
ITT6	Economic and social inequality	4.379	0.964	5
ITT7	Difficulty transitioning to new opportunities	4.269	0.638	16
ITT8	Possible wage stagnation in new positions	3.653	1.125	24
SMP1	Reduced business confidence and investment	4.249	1.007	17
SMP2	Economic downturns and reduced job prospects	4.275	0.638	13
SMP3	Exacerbates wealth disparities among young workers	4.274	0.638	14
SMP4	Affects job security for entry-level	4.281	0.644	8
SMP5	Indirectly influences employment opportunities	4.307	0.823	7

Table 7 highlights the causative factors contributing to youth unemployment. Securing the top position is ER6, representing *Policies and Support Measures*, with a leading mean value of 4.568. Following closely in the second rank is ITT4, addressing *Effects on the labour force*, with a mean value of 4.485. The third rank is held by ITT2, associated with *Job losses within affected sectors*, boasting a mean value of 4.448. The

last rank is occupied by ER3, denoting *Long-term scarring effects*, with a mean value of 3.277.

5. CONCLUSIONS

This study was conducted due to worldwide economic crisis that has greatly influenced youth unemployment, impacting young job seekers directly and indirectly. This has led to fewer job opportunities, increasing the risk of long-term unemployment. Additionally, the crisis has created obstacles to achieving financial independence through secure, stable employment. The study aimed to examine the causative factors behind youth unemployment exacerbated by the global economic crisis. A questionnaire survey gathered perspectives from employees at the UAE Ministry of Labor and Productivity and young job seekers. The questionnaire focused on understanding the root causes of youth unemployment, particularly in the context of the global economic crisis. Respondents used a 5-point Likert scale to assess the significance of various factors. The collected data underwent descriptive analysis. It was found that the top position is ER6, representing Policies and Support Measures, with a leading mean value of 4.568. Following closely in the second rank is ITT4, addressing Effects on the labour force, with a mean value of 4.485. The third rank is held by ITT2, associated with Job losses within affected sectors, boasting a mean value of 4.448. The last rank is occupied by ER3, denoting Long-term scarring effects, with a mean value of 3.277. Hopefully, this study able to assist in handling youth unemployment especially during the global economic crisis.

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