

## **Abstract**

Despite numerous interventions by government and development partners, youth unemployment has remained an intractable challenge in Kenya. The “youth bulge” and attending challenges of unemployment resulting in social evils and political violence (rioting, civil war and terrorism) are overwhelming. This study therefore analyzes the economic determinants of youth unemployment in Kenya from 1979 to 2012 by investigating empirical relationship among youth unemployment, gross domestic product, population, foreign direct investment, and external debt. It is hypothesized that these factors have a long-run relation and effect on youth unemployment rate in Kenya’s economy.

The study used Autoregressive Distributed Lag (ARDL) to test the economic determinants of youth unemployment. At 5% significance level, empirical results indicate that population; gross domestic product, foreign direct investment, and external debt are significant economic determinants of youth unemployment in Kenya in the long-run.