
Individual and Contextual Factors Affecting the Unemployment Status of Educated Youth in Urban Areas of Java in 2024

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Abstract

Unemployment is an economic problem that triggers social impacts such as crime and poverty. In 2024, Java Island recorded the highest rate of educated youth unemployment compared to other islands, particularly in urban areas. This is a critical issue, as educated young people are a vital asset in a nation's economic development, whose potential can be harnessed to achieve Indonesia's vision for 2045. Therefore, the objective of this study is to examine the general status of unemployment among educated youth, as well as the influence of individual and regional factors on unemployment among educated young people in urban areas of Java Island in 2024. This study utilizes data from the National Labor Force Survey (*Sakernas*), August 2024 Labor Force Conditions Publication, and the 2025 District/City in Figures Publication. A two-level binary logistic regression analysis was employed to examine the individual and contextual factors influencing the unemployment status of educated youth in urban areas. The findings indicate that the labor force that has never participated in certified training and resides in areas with a large labor force has a greater risk of being unemployed. Therefore, this study is expected to assist the government in formulating policies to minimize youth unemployment, particularly among those with at least a high school education or its equivalent in urban areas of Java Island.

Keywords: educated youth unemployment, multilevel analysis, java island

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1. Introduction

In 2024, Indonesia's population is estimated to be around 281,6 million, with 194,5 million people of productive age. This demographic composition indicates that Indonesia is currently in a demographic bonus period, which is expected to last from 2020 and peak in 2030. The dominance of the productive age group presents a significant opportunity for Indonesia to accelerate economic development within the country. If not utilized optimally, the demographic dividend could instead become a burden on development and lead to economic challenges, one of which is high unemployment rates. Unemployment is an economic problem faced by almost

all countries and has a direct impact on society (Mankiw, 2010). According to Sukirno (2011), rising unemployment can trigger social impacts such as an increase in crime rates. Additionally, unemployment also leads to increased poverty and other socio-economic issues. This is a matter of significant concern, as stipulated in Article 27, Paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which states that every citizen has the right to work and to a decent livelihood. This is in line with the 8th Sustainable Development Goals (SDGs), which are to promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.

BPS uses the Open Unemployment Rate (OUR) indicator to measure unemployment in Indonesia. From 2015 to 2019, Indonesia's OUR gradually declined. However, in 2020, it increased due to the COVID-19 pandemic. From 2021 to 2024, the OUR declined again, indicating that the Indonesian economy is recovering. Although Indonesia's OUR continues to decrease, according to the International Monetary Fund (IMF), in 2024 Indonesia ranked first in ASEAN with the highest unemployment rate, at 4,91 percent. Moreover, by 2024, it still had not achieved the target set in the 2020–2024 National Medium-Term Development Plan (RPJMN), which was between 3,6 and 4,3 percent.

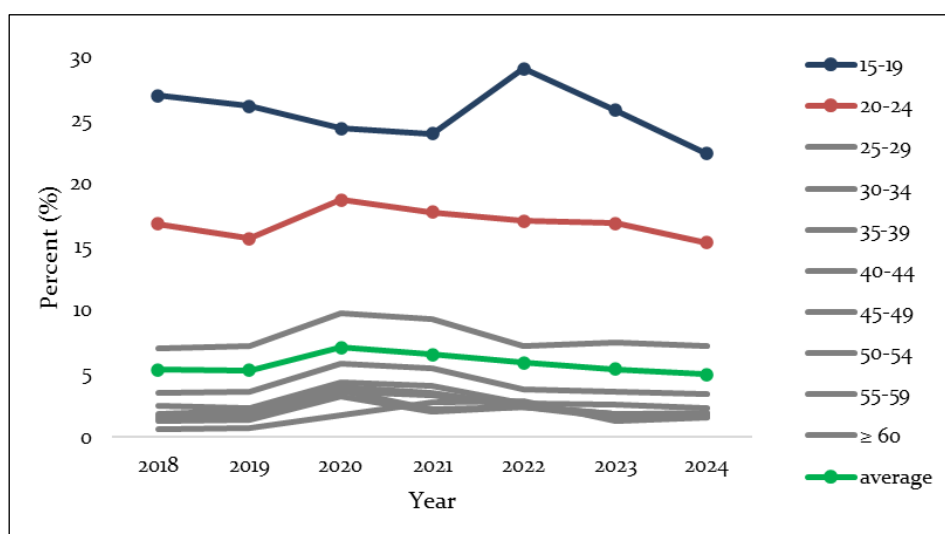


Figure 1. Indonesia's Open Unemployment Rate (TPT) for 2018-2024 by age group

Source: BPS (2018-2024)

Interestingly, when viewed in terms of age structure, the 15-24 age group dominates the unemployment rate in Indonesia. According to BPS data, 52,64 percent of the 7,46 million unemployed in Indonesia are in the 15-24 age group. The demographic bonus projected to occur in 2030 could potentially become a challenge if the productive-age population, especially the youth, is not utilized optimally. Improving the quality of human resources through education is one of the efforts to overcome the unemployment problem. Higher education is an investment in enhancing skills, knowledge, and human resource quality (Kafa & Sciences, 2024). However, higher education alone is insufficient to resolve the issue. In fact, according to BPS, out of the

3,92 million youth unemployed in Indonesia, 3,17 million have at least a high school education or its equivalent (BPS, 2024).

Based on data from Statistics Indonesia (BPS) in 2024, Java is the island with the highest number of educated unemployed youth in Indonesia, reaching 1,97 million people with an unemployment rate of 21,98 percent. (BPS, 2024). Based on their place of residence, the majority live in urban areas, accounting for 73,81 percent. In the urban areas of Java, which should provide complete facilities and easier access to the job market, the unemployment rate is surprisingly high. This is concerning given that Java is also the economic center of Indonesia, contributing the highest GDP compared to other islands, at 57,04 percent.

The high rate of unemployment among educated young people reflects the suboptimal utilization of productive human resources. According to Mwakalila (2022), high youth unemployment is a failure to utilize the most important asset for economic growth. However, young people generally have higher motivation and productivity compared to other age groups, as well as greater proficiency in using technology, especially among those who are educated. Unemployment among young people not only has economic consequences but also leads to psychological issues such as depression, low self-esteem, and increased anxiety (Mokona, Yohannes, & Ayano, 2020). Therefore, specific policies are needed to address educated youth unemployment. Considering that Indonesia is currently experiencing a demographic bonus, characterized by a larger proportion of the working-age population compared to the non-working-age population, such measures are crucial to realizing the “*Indonesia Emas 2045*” (Golden Indonesia 2045 Vision).

Youth unemployment in urban areas is a socioeconomic problem that both developed and developing countries face (Mishra Kumar & Mishra, 2022). However, this problem is more severe in developing countries due to the high density of the youth population. According to Mago (2014), urban unemployment is influenced by rural-urban migration, slow urban development, slow economic growth leading to low employment, and a mismatch between higher education and labor requirements. Migration from rural to urban areas affects labor demand. In urban areas, the labor supply exceeds demand, resulting in unemployment.

In addition, regions with good economic conditions will be able to provide appropriate wages and a variety of job opportunities (Sukirno, 2011). This is related to a person's career decisions. Individuals will consider many factors in deciding on a career that will affect their unemployment status. According to Krumboltz, Mitchell, & Jones (1976), an individual's career decisions are affected by genetic factors, environmental conditions, experience, skills, and the individual's response to completing tasks. Additionally, according to Remeikienė et al. (2020), unemployment is influenced by micro factors such as experience, skills, family background, and gender, as well as macro factors such as mismatches between education and the labor market, aggregate demand, minimum wage, and the size of the labor force. Therefore, an individual's unemployment status is influenced by both individual factors and regional or contextual factors. Alharis & Yuniasih (2022) mention that head-of-household status and marital status also

influence unemployment status. Indrawati, Lidiae, & Hukom (2024) found that education level and gender also affect unemployment status.

However, among previous studies, no research has specifically focused on educated youth unemployment in urban areas of Java while simultaneously considering both individual and environmental factors. Based on the problem background and previous research outlined, youth unemployment among educated individuals in the urban areas of Java Island is a significant issue. It is also suspected that youth unemployment among educated individuals in urban areas of Java Island is not only influenced by individual factors but also by regional factors. Therefore, this study employs a multilevel regression analysis.

The objectives of this study are (1) to describe the status of educated youth unemployment in urban areas of Java Island in 2024 and (2) to analyze the individual and regional variables that influence educated youth unemployment in these areas.

2. Research method

2.1. Scope of Research

The unit of analysis in this study is the labor force aged 16–24 years with at least a high school education, living in urban areas of Java. The ILO defines youth as individuals aged 15–24 years. However, in this study, the lower age limit is adjusted to align with BPS data, which indicate that the minimum age for graduating from high school or its equivalent is 16 years.

The urban areas referred to in this study are defined as administrative units equivalent to villages or subdistricts that meet specific criteria. This study uses raw data from the National Labor Force Survey (Sakernas) in August 2024 and the 2025 District/City in Figures publication. A total of 11,450 labor force samples across 119 districts/cities in Java in 2024 were included in the analysis.

The dependent variable is the unemployment status of the labor force, categorized into two groups: employed and unemployed. The independent variables are divided into two levels: Level 1 (individual) and Level 2 (district/city). The Level 1 independent variables include gender, marital status, household status, education level, participation in certified training, work experience, and migration status. Meanwhile, the Level 2 independent variables are the size of the labor force, minimum wage, and economic growth. The operational definitions of each variable used are as follows:

Table 1. Operational definitions of variables in research

No	Variable Name	Notation	Category
Dependent Variable			
1	Status of Unemployment	Y	0 : Working 1 : Unemployed
Independent Variable			

No	Variable Name	Notation	Category
2	Gender	X_1	0 : Female 1 : Male
3	Marital Status	X_2	0 : Married 1 : Unmarried
4	Household Status	X_3	0 : Head-of-household 1 : Not head-of-household
5	Level of Education	X_4	0 : High school 1 : Higher education
6	Participation in Certified Training	X_5	0 : Yes 1 : No
7	Work Experience	X_6	0 : Yes 1 : No
8	Migration Status	X_7	0 : Migrant 1 : Non-migrant
9	Size of the Labor Force	X_8	Continuous
10	Minimum Wage for District/City	X_9	Continuous
11	Economic Growth	X_{10}	Continuous

2.2. Method of Analysis

The methods of analysis used in this study are descriptive analysis and inferential analysis. Descriptive analysis is employed to provide an overview of and characteristics the unemployment status of educated young people in urban areas of Java in 2024, using frequency tables, graphs, and maps. Meanwhile, the inferential method applied is multilevel binary logistic regression analysis, which is used to identify the tendencies and significant variables influencing unemployment status. Multilevel binary logistic regression is appropriate for hierarchical data where the dependent variable has two categories (Hox, Moerbeek, & Schoot, 2018). In this study, it is assumed that the effects of the independent variables on the dependent variable are the same across all districts/cities; therefore, a multilevel random-intercept model is employed.

The stages of multilevel binary logistic regression analysis are:

1. Random effect test
This test is used to determine whether there is diversity in the status of educated unemployed young people in urban areas between districts/cities.
2. Calculation of the Intraclass Correlation Coefficient (ICC)
ICC is a measure that describes the correlation between observations in the same group or describes the variability of the dependent variable that can be explained by the characteristics of districts/cities.
3. Multilevel binary logistic regression model with random intercept
The multilevel binary logistic regression model with random intercept used in this study is as follows:

$$\ln\left(\frac{\pi_{ij}}{1 - \pi_{ij}}\right) = \gamma_{00} + \sum_{p=1}^P \gamma_{p0} X_{pij} + \sum_{q=1}^Q \gamma_{0q} Z_{qj} + u_{0j} \quad (1)$$

Description:

- γ_{00} : *intercept*
 γ_{p0} : fixed effect for the independent variable p at level 1, $p = 1, \dots, 7$
 γ_{0q} : fixed effect for the independent variable q at level 2, $q = 1, \dots, 3$
 i : sequence of individuals at level 1 ($i = 1, 2, \dots, n$); $n = 11450$
 j : sequence of districts/cities at level 2 ($j = 1, 2, \dots, J$); $J = 119$
 X_{pij} : independent variable p at level 1 for individual i in group j at level 2
 Z_{qj} : independent variable q at level 2 for group j
 u_{0j} : random effect of group j at level 2

4. Simultaneous parameter testing

The purpose of simultaneous parameter testing is to determine whether there is a simultaneous effect of the independent variables on the dependent variable.

5. Partial parameter testing

Partial parameter testing aims to identify the independent variables that have a partial effect on the dependent variable.

6. Parameter interpretation using the odds ratio

3. Results and Discussion

3.1. Overview and Characteristics of Educated Youth Unemployment in Urban Areas of Java Island in 2024

Based on Figure 2, in 2024, 22,37 percent of the educated youth labor force in urban areas of Java Island is unemployed, while the remaining 77,63 percent is employed. This means that out of every 100 members of the labor force, approximately 22 to 23 individuals are classified as unemployed. The proportion of 22,37 percent indicates that this level of unemployment is relatively high.

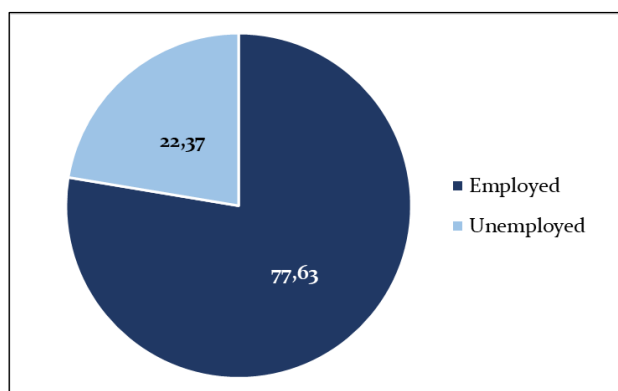


Figure 2. Percentage of educated youth labor force in urban areas by unemployment status in Java Island, 2024

Source: National Labor Force Survey (*Sakernas*) August 2024, processed

Based on Table 2, by gender characteristics, the percentage of unemployed male labor force is 25,15 percent, which is higher than that of the female labor force at 19,14 percent. According to Br. Saragih & Usman (2022), this is because gender discrimination in employment on the island of Java is rarely found. Additionally, educated young women in urban areas tend to choose to work rather than manage household duties. According to marital status, the unemployment rate among unmarried workforce members is higher than among those who are married. This is because unmarried workforce members generally have high mobility and are actively seeking job opportunities that meet their desired wage criteria. On the other hand, married workers tend to overlook their wage expectations and prefer to accept for the available wages rather than remain unemployed, as they have the responsibility to meet family needs (Alawad, Kreishan, & Selim, 2020). Furthermore, the workforce with head-of-household status has a lower unemployment rate compared to the workforce not head-of-household status. Based on educational level, the workforce with a high school diploma or equivalent has a lower unemployment rate than the workforce with a higher education degree. Those with higher education are more selective in choosing jobs, especially for those who have recently graduated (Alawad, Kreishan, & Selim, 2020). Meanwhile, the workforce that has never participated in certified training also has a higher unemployment rate compared to the workforce that has participated in certified training. Similarly, the workforce that has no work experience has a higher unemployment rate compared to the workforce that has work experience. Finally, the non-migrant workforce has a higher unemployment rate than the migrant workforce. This is because migrant workers generally relocate to seek better job opportunities, so they tend to have higher motivation to work (Ahmad & Azim, 2010).

Table 2. Unemployment Rate by Individual Characteristics

Variable Name	Category	Percentage	Unemployment Status (%)	
			Employment	Unemployment
Gender	0: Female	46,18	80,86	19,14
	1: Male	53,82	74,85	25,15
Marital Status	0: Married	6,35	93,07	6,93
	1: Unmarried	93,65	76,58	23,42
Household Status	0: Head-of-household	3,40	91,31	8,69
	1: Not head-of-household	96,60	77,15	22,85
Level of Education	0: High school	88,46	77,81	22,19
	1: Higher education	11,54	76,28	23,72
Participation in Certified Training	0: Yes	34,46	79,25	20,75
	1: No	65,54	76,88	23,22
Work Experience	0: Yes	29,64	79,24	20,76
	1: No	70,36	76,95	23,05

Variable Name	Category	Percentage	Unemployment Status (%)	
			Employment	Unemployment
Migration Status	0: Migrant	1,49	80,71	19,29
	1: Non-migrant	98,51	77,52	22,48

Source: National Labor Force Survey (*Sakernas*) August 2024, processed

In addition to individual factors, regional factors are an important aspect that cannot be ignored in the analysis of unemployment among educated young people. This is because differences in conditions between regions, such as differences in the economic and geographical conditions of a region, also influence the unemployment status of the workforce. Figure 3 shows the distribution of the labor force by district/city on the island of Java in 2024, which varies considerably. Interestingly, the western part of Java Island shows a darker color gradient, indicating that this region has a larger labor force compared to other regions. The high number of labor force in this region indicates the presence of economic centers and high levels of urbanization. This makes it an attractive destination for economic actors, as it offers a more complete infrastructure to support economic activities.

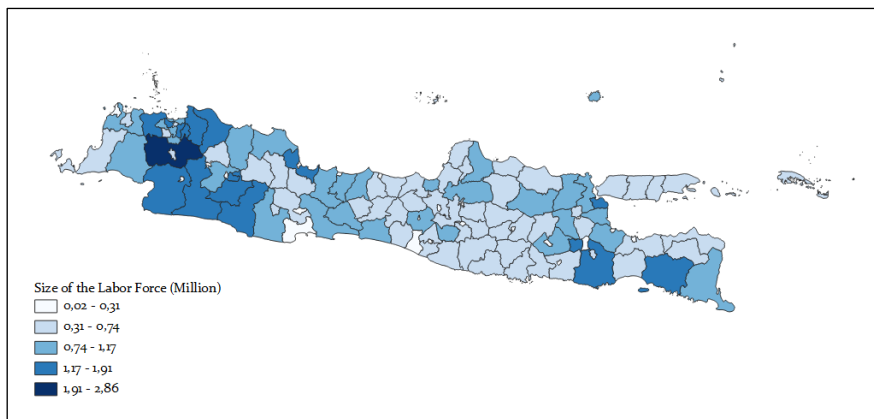


Figure 3. Size of the labor force by district/city in Java in 2024

Source: National Labor Force Survey (*Sakernas*) August 2024, processed

Furthermore, Figure 4 shows the distribution of minimum wages in each district/city on the island of Java in 2024. The minimum wage in these districts/cities ranges from 2,04 million to 5,34 million rupiah. Based on the map colors, Jakarta and its surrounding areas are shaded darker, indicating that the minimum wage set by the government in this region is relatively higher than in other areas. As the economic and administrative center, this region has a higher cost of living, which consequently encourages the government to set a higher minimum wage. In contrast, most other regions have minimum wages ranging from 2,04 million to 2,45 million rupiah. This is attributed to the relatively lower cost of living in those areas and the predominance of agriculture as the primary economic sector.

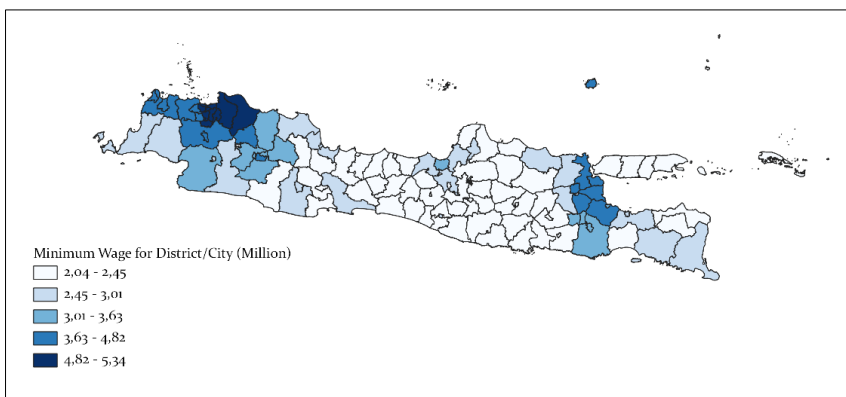


Figure 4. Minimum wage for district/city on Java Island in 2024

Source: District/City Publication in Figures 2025

Economic growth reflects the economic conditions of a region, which can influence employment opportunities and unemployment rates. Based on the colors in Figure 5, economic growth in Java varies considerably across districts/cities. Several regions recorded high economic growth, ranging from 5,22 percent to 6,38 percent, as indicated by the darker colors on the map. Conversely, some regions experienced negative economic growth. This situation reflects the disparity in economic growth across regions on Java Island. Regions with high economic growth are likely driven by strong industrial, trade, and investment activities, as well as more developed infrastructure. Meanwhile, regions with negative growth may suffer from weakened economic activity or insufficient investment.

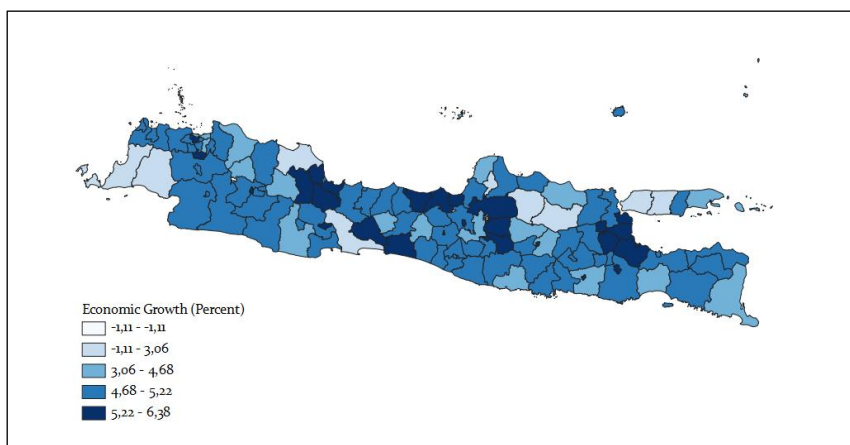


Figure 5. Economic growth by district/city in Java Island, 2024

Source: District/City Publication in Figures 2025

3.2. Variables Affecting the Unemployment Status of Educated Youth People in Urban Areas of Java in 2024

After obtaining an overview of the characteristics of the independent and dependent variables, an inferential analysis was conducted to examine the influence of individual and

contextual factors on the unemployment status of educated young people in urban areas using multilevel binary logistic regression. The initial stage involved testing the significance of the random effect with an LR test value of 101.001. Since this value is greater than $\chi^2_{(0,05;1)} = 3,841$, the null hypothesis (H_0) was rejected at the 5 percent significance level. Thus, it can be concluded that the random effect has a significant influence on the variation in the dependent variable. This indicates that there is variation in the unemployment status of educated young people in urban areas across districts/cities on the island of Java in 2024.

The ICC value obtained was 0,038. This means that 3,8 percent of the variation in the unemployment status of the educated youth labor force in urban areas of Java Island is attributable to differences in characteristics across regions. This ICC value is relatively low; however, even an ICC value close to 0 or an ICC value above 2 percent indicates a significant influence at a higher level, such as the regional level (Nezlek, 2008; Theall, Scribner, Broyles, & Yu, 2011).

Based on the results of the random effects test, multilevel binary logistic regression is appropriate for modeling the relationship between the independent and dependent variables. According to the model proposed in equation (1), the estimation of multilevel binary logistic regression parameters with random intercepts is specified as follows:

$$\ln\left(\frac{\hat{\pi}_{ij}}{1 - \hat{\pi}_{ij}}\right) = -3,240 + 0,334X_{1ij} + 1,299X_{2ij} + 0,648X_{3ij} + 0,316X_{4ij} + 0,229X_{5ij} \\ + 0,114X_{6ij} - 0,271X_{7ij} + 0,186Z_{1j} + 0,091Z_{2j} - 0,125Z_{3j} + \hat{u}_{0j} \quad (2)$$

Next, a simultaneous parameter test was conducted using the G-test statistic, which yielded a value of $253,07 > \chi^2_{(0,05;10)} (18,307)$, or a p-value of $0,000 < \alpha = 0,05$. Therefore, the decision was to reject H_0 . It can be concluded that, at the 5% significance level, at least one independent variable significantly affects the unemployment status of the educated youth workforce in urban areas of Java Island in 2024.

After conducting the simultaneous test, partial tests were then performed on the parameters. The results of the partial tests are presented in Table 4, which contains the parameter estimates, odds ratios, and test statistics for each variable.

Table 4. Estimated Parameter Values, Odds Ratios, and p-values

Variable Independent	$\hat{\gamma}$	SE ($\hat{\gamma}$)	Z-Value	p-value	Odds Ratio
Constant	-3,240	0,316	-10,235	0,000*	0,036
Gender	0,334	0,047	6,991	0,000*	1,397
Marital Status	1,299	0,158	8,211	0,000*	3,666
Household Status	0,648	0,171	3,783	0,000*	1,912
Level of education	0,316	0,072	4,347	0,000*	1,372
Participation in certified training	0,229	0,051	4,470	0,000*	1,257

Variable Independent	$\hat{\gamma}$	SE ($\hat{\gamma}$)	Z-Value	p-value	Odds Ratio
Work experience	0,114	0,052	2,169	0,030*	1,121
Migration status	-0,271	0,122	-2,214	0,026*	0,763
Size of Labor Force	0,186	0,084	2,215	0,026*	1,204
Minimum Wage for District/City	0,091	0,037	2,478	0,013*	1,095
Economic Growth	-0,125	0,039	-3,188	0,001*	0,882

Source: National Labor Force Survey (*Sakernas*) August 2024, processed

Note: *) significant at $\alpha = 5$ percent

Based on the partial test, all independent variables affect the unemployment status of educated youth in urban areas of Java in 2024. According to Table 4, the odds ratio for the gender variable is 1,397. This means that the male workforce is 1,397 times more likely to be unemployed than the female workforce, assuming all other variables remain constant. This finding aligns with the research by Br. Saragih & Usman (2022), which indicates that men are more likely to be unemployed than women because men tend to be more selective about jobs, whereas women are willing to work even if it is only part-time. In contrast to Bairagya (2015) research in developing India, young educated men have a lower risk of unemployment than women, because men have greater access to job opportunities.

Furthermore, in urban areas the unemployment status of educated youth is influenced by marital characteristics. Assuming other variables remain constant, the likelihood of unemployment among workers who have never been married is 3,666 times higher than among workers who have been married. This finding aligns with the study of Susanti & Annisa (2024), which found that married workers tend to have greater responsibilities that require them to work, thereby reducing their likelihood of being unemployed. In contradiction to the research conducted by Shakur, Sa'at, Aziz, Abdullah, & Rasid (2020) in different regions of Malaysia, marital status can increase the risk of youth unemployment, especially for young women, while for men the effect may differ depending on family responsibilities.

Household status also influences the unemployment status of educated youth in urban areas of Java in 2024. The odds ratio is 1,912, meaning that, assuming other variables remain constant, workers who are not household heads are 1,912 times more likely to be unemployed than those who are household heads. Consistent with Susanti & Annisa (2024), household heads have a lower chance of being unemployed because they make greater efforts to secure employment and are generally less selective about jobs compared to those who are not household heads.

Furthermore, the unemployment status of educated young people living in urban areas is influenced by their highest level of education. The odds ratio value is 1.372, meaning that the workforce who completed their highest level of education at the tertiary level are 1.372 times more likely to be unemployed than the workforce whose highest level of education is high school/equivalent, assuming other variables remain constant. Higher education graduates tend

to choose jobs that are more relevant to their field of study during their education and the lack of suitable jobs (Susanti & Annisa, 2024). In contrast to the research by Shakur, Sa'at, Aziz, Abdullah, & Rasid (2020) on youth unemployment in developing countries such as Malaysia, the level of education did not have a significant effect on youth unemployment.

The unemployment status of educated youth is also affected by participation in certified job training. Assuming other variables remain constant, workers who have never participated in certified job training are 1,257 times more likely to be unemployed than those who have. These findings are consistent with Romadhon & Zikra (2022), as job training plays a crucial role in enhancing workforce skills, particularly among educated young adults. According to Terzo & Giaconia (2018), job training is a form of human capital investment through which individuals acquire knowledge and skills. Workers with such skills are better prepared to enter the labor market, and employers are more likely to hire candidates with specialized skills, often demonstrated through training certificates. Similarly, in India, a developing country in South Asia, the lack of training also contributes to rising unemployment among educated youth (Singh, 2025).

Finally, work experience also plays a significant role. Based on the odds ratio, educated youth without work experience are 1,121 times more likely to be unemployed than those with prior experience, assuming other variables remain constant. According to Shita & Dereje (2018), workers without prior experience face a higher risk of unemployment because experienced individuals already have a better understanding of labor market conditions. Furthermore, individual experience is considered a component of human capital investment (Terzo & Giaconia, 2018). With experience, individuals can improve their practical skills, adaptability, and self-confidence in meeting job demands. In developing countries such as Malaysia, work experience also plays an important role in reducing the risk of youth unemployment (Shakur, Sa'at, Aziz, Abdullah, & Rasid, 2020).

The migration status variable has a significant effect on the unemployment status of educated youth in urban areas of Java in 2024. Controlling for other variables, educated youth who are non-migrants are 0,763 times less likely to be unemployed than their migrant counterparts. Similarly, research by Fila, Mansingh, & Legesse (2016) shows that population migration, whether from city to city or from village to city, tends to increase the risk of unemployment. This is due to migrants' limited access to education, job opportunities, and social support. According to Tesfaye, Sintayehu, Netsanet, & Eyasu (2023), non-migrant individuals generally possess stronger social networks, which provide them with greater opportunities to obtain information and job recommendations.

The odds ratio for the labor force size variable is 1,204, indicating that every increase of one million in the labor force of a district/city increases the likelihood of unemployment by 1.204 times, holding other variables constant. If the labor force grows rapidly without sufficient job creation, the risk of unemployment remains high due to an imbalance between labor supply and demand (Suriati, 2020). Consequently, the risk of unemployment, particularly among educated

youth, will increase due to the limited availability of jobs. The same is true in other developing countries such as India, rapid population growth, characterized by a large workforce that is not matched by employment opportunities, can worsen youth unemployment, especially in developing countries (Sethy, 2025).

The minimum wage also significantly affects the unemployment status of educated youth in urban areas. An odds ratio of 1,095 suggests that for every increase of one million rupiah in the minimum wage, the likelihood of unemployment increases by 1,095 times, assuming other variables remain constant. This finding contradicts labor supply theory, which posits that higher wages encourage more people to enter the labor market. However, it aligns with labor demand theory, which suggests that when wages are set too high, companies may not be able to afford the mandated rates. According to Adriyanto, Prasetyo, & Khodijah (2020), high wages in a region affect labor demand, as companies tend to be more selective in hiring workers to reduce production costs.

Economic growth also has a significant effect on the unemployment status of educated youth in urban areas of Java in 2024. An odds ratio of 0,882 indicates that every 1 percent increase in regional economic growth reduces the likelihood of unemployment by 0,882 times, holding other variables constant. According to Borjas (2016), when a region's economy improves, companies expand their demand for labor, thereby absorbing a larger number of workers and reducing the risk of unemployment. In line with Michael & Geetha (2020) in Malaysia, which has characteristics similar to Indonesia, increased economic growth has a negative effect on youth unemployment. When economic growth rises, it reduces the risk of unemployment because increased output can drive labor demand.

4. Conclusion and Recommendation

Based on the results of the study, it shows that in 2024, the proportion of educated youth unemployment in urban areas of Java Island will be 22,37 percent. Unemployment among educated youth in urban areas is more prevalent among male workers, those who are unmarried, not the head of a household, hold higher education degrees as their highest level of education, have never participated in certified training programs, lack work experience, are non-migrant workers, live in areas with high minimum wages, large labor forces, and low economic growth. Additionally, inferential analysis shows that all independent variables used significantly influence the unemployment status of educated youth in urban areas of Java Island in 2024.

Participation in certified training and the size of the labor force significantly affect the unemployment status of educated youth in urban areas. Therefore, the government could expand standardized training programs in line with labor market needs and promote equitable economic development to reduce the concentration of the labor force in certain regions, thereby lowering the risk of unemployment, particularly in urban areas. Moreover, educated youth workers may have better access to information, technology, and social networks, which can facilitate entrepreneurship as an alternative pathway to entering the labor market. For future researchers,

additional variables that may influence the unemployment status of educated youth workers in urban areas could be explored, such as access to job vacancy information.

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