Trends and Divergence in NEET Rates in India: A Comparative Review of ILO and PLFS Estimates (2017–18 to 2023–24)

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The Not in Employment, Education or Training (NEET) rate has increasingly become a central indicator for assessing the labour market integration of youth in India. It reflects the share of young individuals who are disengaged from both the labour force and educational or skill-development systems. The NEET rate is closely aligned with SDG Indicator 8.6.1, which falls under the broader objective of ensuring decent work and fostering economic growth (SDG 8). Tracking this indicator helps countries evaluate the extent to which young people are being absorbed into education, training, or the labour market. It also serves as a vital input for developing responsive policies in areas such as youth employment, skills development, and educational access.

This article presents a detailed analysis of NEET rate trends over a seven-year period, using annual estimates from two sources: the International Labour Organization (ILO) and India's official Periodic Labour Force Survey (PLFS). While both sources draw on the same underlying data from PLFS, the ILO employs its own harmonised methodology to facilitate cross-country comparability, resulting in significant differences in levels and trajectories.

Data and Methodology

For the purposes of this analysis, youth are defined as those aged 15–24 years, in line with ILO's international definition, although the National Youth Policy of India defines youth as those aged 15–29 years. This narrower age band enables direct comparison with ILO estimates.

This article draws on two key sources to analyse the trends in NEET (Not in Employment, Education or Training) rates in India over a seven-year period:

- Annual estimates from the International Labour Organization (ILO), drawn from its ILOSTAT database. These estimates are based on harmonised labour force data for India, derived from the Periodic Labour Force Survey (PLFS), but adjusted using ILO's international methodology to ensure cross-country comparability.

- Official annual estimates from the PLFS, published by the Ministry of Statistics and Programme Implementation (MoSPI), based on the usual status approach, which combines the usual principal status (UPS) and usual subsidiary status (SS), referred to together as PS+SS. This methodology considers an individual's activity over the 365 days preceding the date of survey, thereby capturing long-term and marginal forms of employment or training engagement.

- The NEET rates presented here refer to youth aged 15–24 years, aligning with the age definition adopted in ILO datasets, even though India's National Youth Policy defines youth more broadly as those aged 15–29 years. The narrower age band facilitates direct comparability between national and international datasets.

In addition to these annual estimates, the article will also incorporate and examine quarterly NEET rate estimates, comparing the ILO's quarterly data with PLFS estimates based on the Current Weekly Status (CWS) approach. The CWS method identifies an individual's labour force status based on their activity in the seven days preceding the date of survey and is typically used to produce higher-frequency indicators, such as quarterly and monthly labour force trends.

Annual NEET Rates

Males (2017–18 to 2023–24)

Between 2017–18 and 2023–24, both ILO and PLFS datasets exhibit a consistent decline in NEET rates for young males in India. According to PLFS (PS+SS), the male NEET rate fell

from 13.9 percent in 2017–18 to 8.2 percent in 2023–24, a decline of 5.7 percentage points (Figure 1a). The ILO estimates report a similar downward trajectory, from 15.3 percent to 10.3 percent over the same period, a reduction of 5.0 percentage points. This broadly comparable trend points to enhanced labour force engagement or educational participation among young men, likely driven by targeted skilling initiatives and improved access to vocational training. Notably, ILO estimates remain consistently higher than PLFS figures for every year in the series, suggesting either a difference in classification or the exclusion of marginal work/ education arrangements under ILO's harmonised definitions.

Females (2017–18 to 2023–24)

In the case of young women, the NEET rates remain substantially higher than those for men, although they too show a declining trend over time (Figure 1b). The PLFS data reveal a steady fall from 47.5 percent in 2017–18 to 33.9 percent in 2023–24, a reduction of 13.6 percentage points. The ILO estimates reflect a somewhat smaller decline, from 48.1 percent to 39.0 percent over the same period, a 9 percentage point reduction. Despite consistent downward movement, the gender gap remains stark, with female NEET rates in 2023–24 still nearly four times higher than those for males, regardless of the data source. The discrepancy between ILO and PLFS estimates for female NEET rates is larger and more persistent, indicating greater sensitivity to methodological treatment of informal or unpaid labour and household responsibilities in global standardisation processes.

Males and Females Combined (2017–18 to 2023–24)

When examining NEET rates for the combined population aged 15–24 years, both sources suggest broad progress, but differ significantly in reported levels (Figure 1c). According to PLFS, the NEET rate declined from 29.8 percent in 2017–18 to 20.6 percent in 2023–24, while ILO data show a fall from 30.8 percent to 24.2 percent. While the direction of change remains similar, the gap between the two sources has widened slightly, with ILO consistently reporting higher aggregate NEET levels.

Figure 1a, 1b, & 1c – NEET Rates in India among Youth Population (Age 15 – 24 Years), Annual Estimates

1a. Male

1b. Female

1c. Person
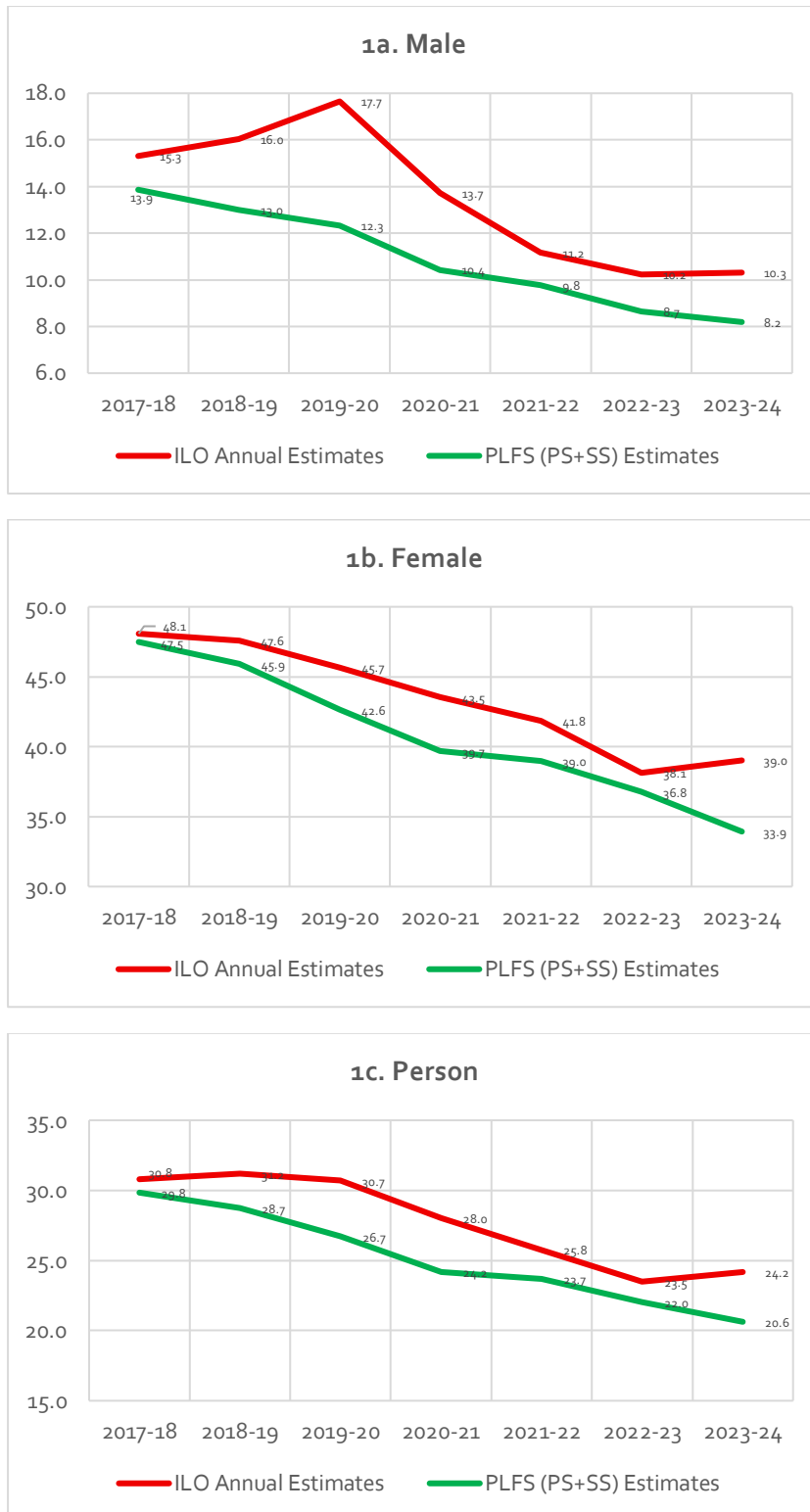
Source: ILOSTAT, Annual Estimates and PLFS Unit Level Data.

Key Differences Between ILO and PLFS Annual Estimates

While the general trend in both datasets confirms improvement in youth labour market engagement over the seven-year period, several notable differences arise:

- **Higher Baseline and Smoother Decline in ILO Data –** ILO estimates begin at a higher level across gender and show a more moderate decline over time. This may be attributed to ILO's stricter definitions and harmonised adjustments that exclude certain marginal or informal activities considered under PLFS.

- **Gender Disparity in the Gap –** The difference between ILO and PLFS is more pronounced for females, suggesting that the measurement and classification of unpaid work, informal employment, or domestic responsibilities may vary significantly between global and national frameworks.

- **Recent Divergence in Trend (2022–23 to 2023–24) –** PLFS data show a continued decline in NEET rates across all categories between 2022–23 and 2023–24. However, ILO data show a slight increase, particularly for females and the total youth population.

Quarterly NEET Rates

Over the seven-year period, the NEET rate among young males has generally declined in both datasets, albeit with some fluctuations. According to PLFS, the male NEET rate declined from 15.6 percent in January–March 2017–18 to 11.0 percent in May–June 2023–24, a reduction of 4.6 percentage points (Figure 2a). ILO estimates reflect a broader range, beginning at the same level (15.6 percent) but peaking at 22.6 percent in May–June 2019–20, before falling to 10.9 percent in May–June 2023–24.

For females, NEET rates remain significantly higher than those for males across all quarters. The PLFS estimates show a decline from 46.9 percent in January–March 2017–18 to 39.5 percent in May–June 2023–24, while the ILO estimates decline from 46.5 percent to 39.3

percent over the same period (Figure 2b). Notably, the trends are more aligned for females than males, with only modest differences in level.

Among the combined youth population, the overall NEET rate has also shown a consistent decline in both datasets (Figure 2c). The PLFS estimates show a fall from 30.5 percent in January–March 2017–18 to 24.9 percent in May–June 2023–24, while ILO estimates show a decline from 30.3 percent to 24.7 percent over the same period. The similarity in the levels and patterns suggests strong convergence between the two sources for this composite group.

Key Observations and Differences (Quarterly Estimates)

- **Greater Volatility in ILO Estimates (Male) –** ILO estimates for males tend to display greater quarter-to-quarter variation, particularly between 2018–19 and 2020–21. This may stem from methodological differences in how temporary work or subsistence employment is treated in cross-country harmonisation.

- **Pronounced Gaps During COVID Quarters (Male and Female) –** The most substantial differences between ILO and PLFS estimates, across both male and female NEET rates, occur during the pandemic-affected quarters, especially between mid-2019 and mid-2021. This period was marked by widespread disruptions in employment, education, and training, which may have been treated differently in national versus harmonised international methodologies.

- **Consistency in Female Estimates –** For females, the PLFS and ILO estimates are closely aligned, suggesting that female NEET classification is less sensitive to methodological adjustments, possibly due to a more stable categorisation of inactivity (e.g., caregiving, domestic duties).

- **Convergence in Combined NEET Rates –** The estimates for the combined population show strong convergence over time, with differences rarely exceeding 0.3 percentage points from 2021–22 onwards.

Figure 2a, 2b, & 2c – NEET Rates in India among Youth Population (Age 15 – 24 Years), Quarterly Estimates
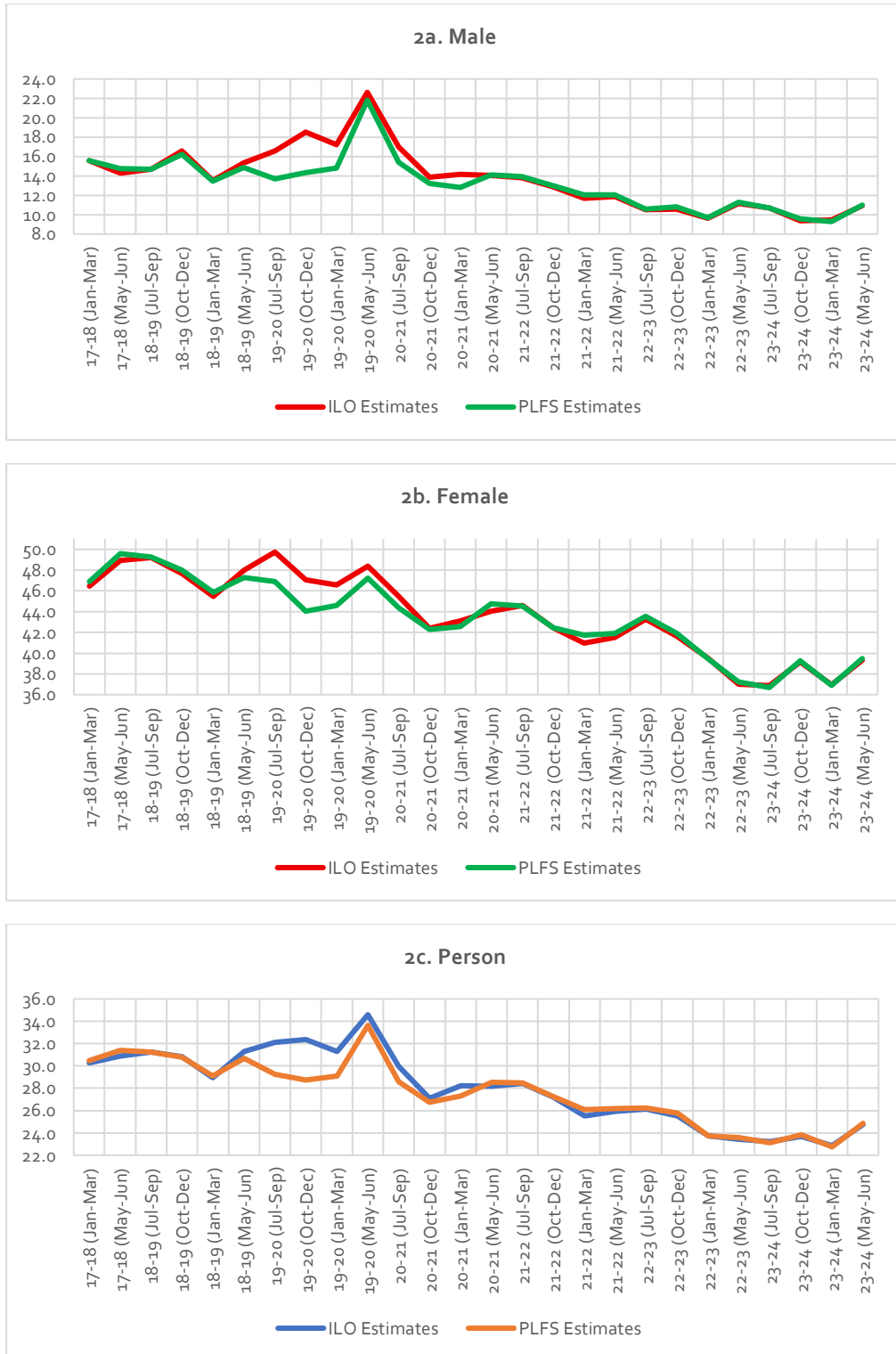
Source: Quarterly Estimates, ILOSTAT and PLFS Unit Level Data.

Concluding Remarks

The combined analysis of annual and quarterly NEET data from both PLFS and ILO sources confirms a consistent and broad-based decline in youth disengagement from employment, education, or training in India over the last seven years. This downward trend is evident across both male and female populations, with quarterly data capturing short-term fluctuations and annual data reflecting more stable structural improvements. While ILO estimates tend to report slightly higher NEET rates, the direction of change remains closely aligned with PLFS figures, especially in recent years.

Notably, the gender gap in NEET rates, though still significant, has narrowed gradually, and both data sources suggest increased engagement of young women in work or education. Differences between the two datasets largely stem from methodological adjustments by the ILO to ensure cross-country comparability.

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