How Inclusive is "Inclusive Development" in India? Challenges and Prospects of Indian Youth Labour Market

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Abstract

This study investigates the degree of inclusiveness of youth in the Indian labour market concerning Goal 4 and Goal 8 of the Sustainable Development Goals-2030. For this purpose, the study engages logistic regression by considering the 50th (1993/94), 55th (1999/00), 61st (2004/05) and 68th (2011/12) rounds of (un)employment surveys of NSSO. The empirical results reflect the high exclusion of youth in the Indian labour market, especially the female youth. By highlighting labour market exclusion as a challenge to economic development, the study further explores the intensity of risk factors affecting youth to remain excluded from the labour market. The findings divulge that gender remains a significant contributor to exclusion, often restricting access to employment. However, youth from low income, minorities, certain castes or religious groups are in many cases, even more, excluded from economic development. The implications of this study contribute by identifying the risk factors of youth transition in the Indian labour market. The findings add significant value to the limited youth labour market studies in India and advocates on the policy front to create better labour market opportunities to re-integrate NEET youth into a gainful activity. Therefore, a holistic approach within the broader context of macro (government and society), meso (household) and micro (individual) development need to be considered in order to make 'youth' more inclusive in the economic development of the country.

Keywords:

Inclusion, Labour market, Not in Employment, Education or Training (NEET), Workforce, Youth

INTRODUCTION

The idea of inclusiveness in development literature dates back to 1966, with the adoption of two aspiring human rights declaration—one dealing with political and other with socio-economic aspects. The engagement of weaker sections was ensured through the protection of economic, social and civil rights (United Nations 1998). Further, the significance of inclusiveness is highlighted through the commitments of Sustainable Development Goals (SDGs)-2030. SDGs aim towards inclusive development, prioritising the youth and female labour force as the most marginalised section of the labour market. Goal no. 4 and 8 of the SDGs highly focuses on enhancing the school enrollment of female youth, along with the generation of equitable and decent employment opportunities. These goals attempt to tackle the exclusivity of youth through a successful school-to-work transition.

The notion of inclusivity largely relies on the dynamics of economic progression and labour market functionality. Visualising economic growth of India, the economy has outperformed well in figures over a couple of decades. On the contrary, the labour market

functionality strives on the employment generation front. The slow pace of employment growth reflects the missing link between economic prosperity and the labour market functioning. Noteworthy is the growing proportion of youth who represent the highest (27.5 per cent) share in Indian population. The younger generation reflects the ongoing 'Demographic Dividend' transition of the Indian economy.

The youth highlight the human capital of a nation and calls for investment in terms of quality education and equitable employment opportunities. However, the large number of youth out of the workforce reflects the lack of inclusiveness of youth in the Indian labour market. Keeping youth at the bay of unemployment portrays the 'jobless and unbalanced growth' of the Indian economy. The 'jobless growth' further contradicts the idea of inclusivity envisaged in the commitments of SDGs-2030.

The concept of inclusive development is a broader subject and delineate multi-dimensional approach. Hence, this study focuses on youth (aged 15-29 years) representing the marginalised section of the labour market. The key contribution of this study are bi-fold and uncover the magnitude of youth inclusion in the Indian labour market.. The first part highlights the changing dynamics of youth workforce over the period 1993/94 to 2011/12. While, the second part attempts to analyse the pattern of missing youth from the labour market through the conceptualisation of the 'NEET' (not in employment, education or training) approach. The objectives of this study are: (i) to examine the macro (government and society), meso (household) and micro (individual) determinants of worker population ratio (WPR); and (ii) to conceptualise and analyse the inactivity status of youth through the NEET concept.

Accordingly, the paper is divided into five sections. The next part deals with the stylised facts of youth employment and unemployment situation in India. The third section discusses the data source and methodology. The fourth section highlights the results and discussion on the magnitude of youth inclusivity in the labour market. The last part is devoted to summary and conclusion of the study.

LITERATURE REVIEW

India being home to approximately 333.4 million young population (Figure 1) with the highest representation of youth share in total population (27.5 percent) has witnessed a continuous rise over the period, 1991-2011. The increasing share of youth on one side characterises the notion of 'Young India' filled with a wide array of potentialities. On the other hand, it is marked with a burden of engaging youth labour force in the labour market. The relevance of youth labour force in the economic growth dates back to the success of 'East Asian Tigers' with the active engagement of youth in the labour market resulting in a declining youth dependency ratio (Bloom et al., 2003). Studies found the significance of changing demographic structure on the economic growth of the country (Cruz & Ahmed, 2018). Unlike the neighbouring Asian countries such as Japan, India still struggles to witness a significant decline in the youth dependency ratio (Dyson, Cassen & Visaria, 2005).

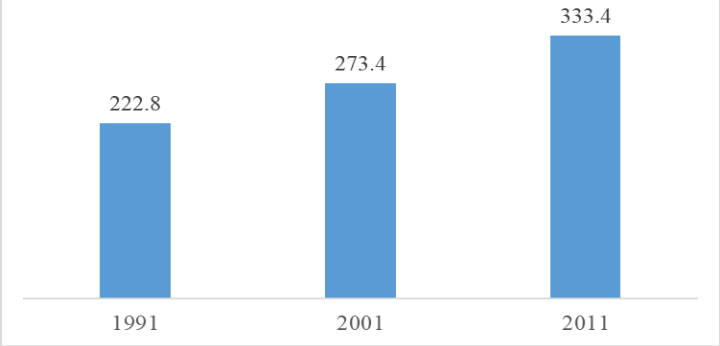

Figure 1: Distribution of youth population (in millions) from census 1991 to 2011
Source: Census of India- 1991, 2001 and 2011

The broader view of youth labour market highlights the shrinking employment opportunities for the youth in the Indian labour market over the period 1993/94 to 2011/12. The study has considered the Usual Principal Status (UPS) of National Sample Survey (NSS). Throughout the study, the labour force participation rate (LFPR) has declined by 26.8 percentage points (Figure 2 (a)). Increase in enrollment of youth in higher education due to shrinking job opportunities is cited as one of the primary reasons for the declining LFPR among the youth (ILO, 2013). On the contrary, the unemployement rate (UR) has declined by 0.7 percentage points, respectively (Figure 2(b)).

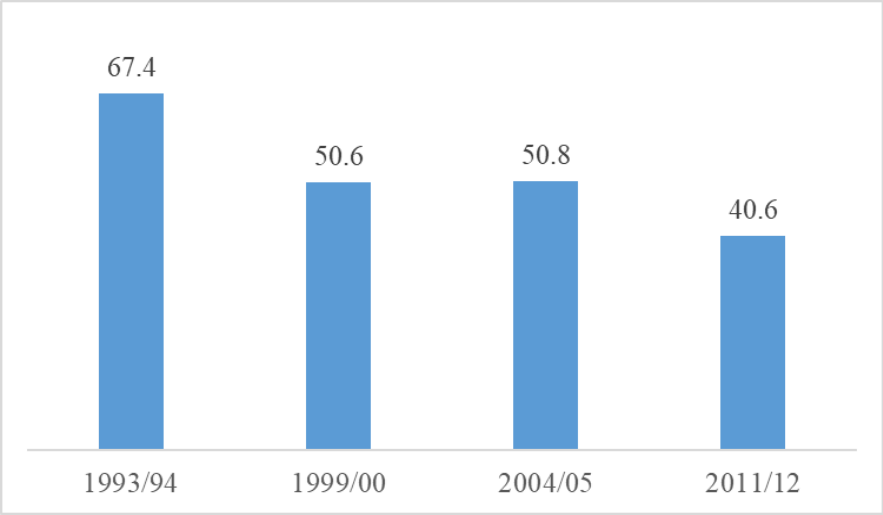

Figure 2 (a): Distribution of youth LFPR (in percentage) from 1993/94 to 2011/12
Source: Authors'calculation from National Sample Survey rounds on Employment and Unemployment

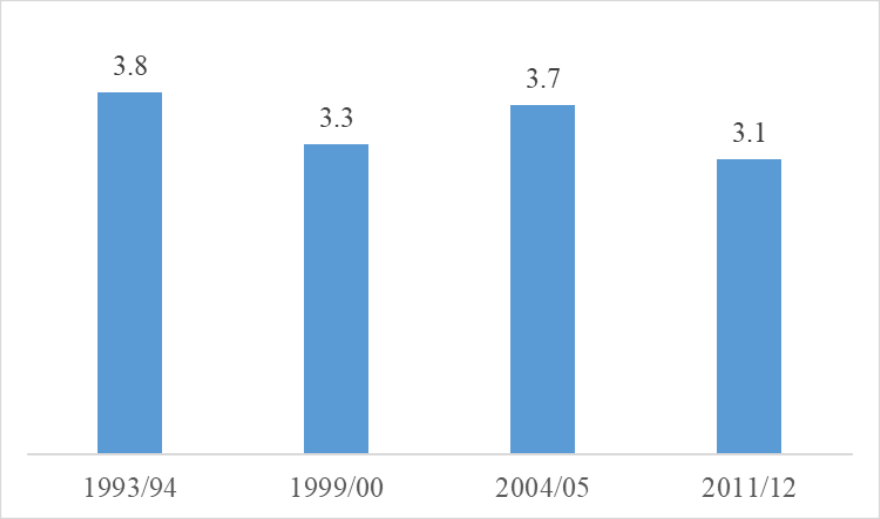

Figure 2 (b): Distribution of youth unemployement rate (in percentage) from 1993/94 to 2011/12
Source: Authors'calculation from National Sample Survey rounds on Employment and Unemployment

Based on the declining youth UR the rationale of the study proceeds towards the computation of NEET rate. The UR, although being an essential indicator of the labour market, only captures the person who is out of the workforce and does not shed light on their status. However, the NEET rate captures the person who substantially does not contribute to the economy by remaining disengaged from employment, education or training. The computed figure highlights an increasing trend of NEET rate among the youth during 1993/94 to 2011/12 (Figure 3). With the declining LFPR, the NEET rate, on the contrary, has increased over the period indicating that although the country's economy depicts improvisation, the large share of youth has tremendously gone missing from the labour market and the education system. Over the period of study, the missing younger population has increased by 7 percentage points. The highest rise in the NEET youth is witnessed during 1993/94 to 1999/00 (9.3 percentage points).

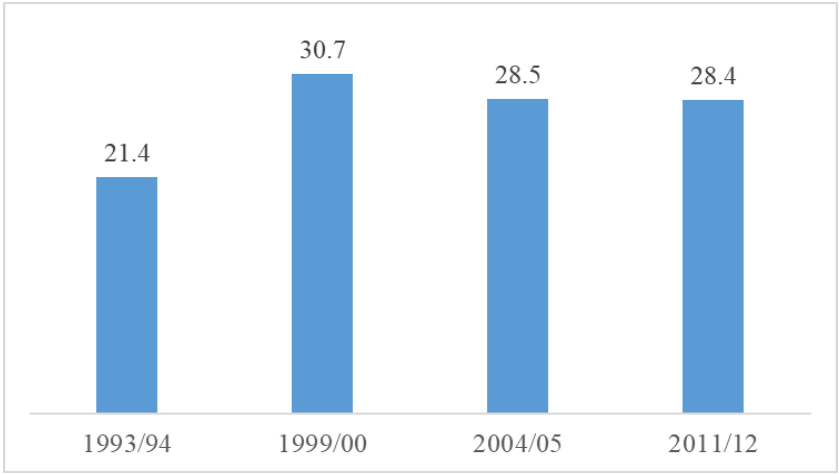

Figure 3. Distribution of NEET youth (in percentage) from 1993/94 to 2011/12
Source: Authors'calculation from National Sample Survey rounds on Employment and Unemployment

Moreover, the NEET rate has declined after the year 1999/00, but at a very nominal rate. NEET and UR cannot be compared due to the difference in their specific denominators (Mascherini et al., 2012), yet youth disengagement from the labour market questions the declining youth UR highlighting unemployment rate to be an incomplete indicator in capturing the actual dynamics of the youth labour market. The labour market of India suffers from inadequate job opportunities for the youth. However, the familiar axiom of Indian society to expect higher returns from the job with an increase in their level of education still prevails strongly among the youth as well as their parents. Thus, Indian youth remains out of the workforce for a longer duration to grab the job aligning with their educational qualifications. However, failing on this front result in higher NEET rate among the Indian youth.According to Jameel (2018), game-based learning motivates students and increases their participation and interaction, which significantly enhances students' learning.

METHODOLOGY

To analyse the employment status of youth in India, data on socio-economic determinants is computed from the unit level data of NSS employment and unemployment rounds from 50th (1993/94), 55th (1999/00), 61st (2004/05) and 68th (2011/12). Since the study highlights the magnitude of inclusion/exclusion of youth from the labour market, the duration 1993/94 to 2011/12 is the most important to be studied because it marks significant events for examples, liberalisation in India, change in political regime in India, and global recession. These events are supposed to worst-hit the youth labour market in India. Hence, this study undertook the duration of 1993/94 to 2011/12 and comprehended the significant changes of the youth labour market in India. The years-wise sample size of the youth considered for the study was 156,445 (1993/94), 223,317 (1999/00), 162,779 (2004/05) and 122,484 (2011/12). The study considered the usual status approach of employment. A person is considered employed in the usual status approach if he/she has pursued profitable economic activity for a relatively longer period, i.e. 365 days before the date of the survey.

The concept of NEET varies across the countries, as there is no commonly accepted definition of NEET at the global level (Elder, 2015). Although the issue of NEET upsurge is a worldwide challenge for the economies, yet the concept lags a common conceptual framework (Vancea & Utzet, 2018). Moreover, this study relies on the formula of the NEET rate framed by the ILO.

The youth NEET rate is calculated as follows:

$$NEET\ rate\ (\%) = \frac{(No.of\ Youth - Youth\ in\ Employment - Youth\ not\ in\ Employment\ but\ in\ Education\ or\ Training)}{No.of\ Youth} * 100$$

The limitations of the Linear Probability Model (LPM) in terms of assumptions not holding true in the case of a dichotomous dependent variable makes it an inappropriate model for analysis (Gujarati, 2011). Henceforth, the dichotomous nature of our dependent variable (WPR) allows us to implement the logistic regression. Equational representation of logistic regression is as follows.

The general equation is written as:

$$\begin{aligned} Yi = {} & \beta 1 + \beta 2\ \text{Age}i + \beta 3\ Sexi + \beta 4\ \text{Place of Residence} + \\ & \beta 5\ \text{General Education}i + \beta 6\ \text{Tech. Education}i + \\ & \beta 7\text{Marital Status}i + \beta 8\text{Religion}i + \beta 9\text{Caste}i + \\ & \beta 10\text{Wealth Quintile}i + \beta 11\text{Household Type}i + \\ & \beta 12\text{Land Owned}i + \beta 13\ \text{State Region}i + \mu i \end{aligned} \quad (1)$$

Concisely, Eq. 1 is rewritten as:

$$Yi = \beta_1 + \sum{}_i \beta_i X_i + \mu_i \quad (2)$$

$$Yi = 0\ (Youth\ falls\ \ in\ \ W\ PR)\ ;\ Yi = 1\ (Else) \quad (3)$$

X_i indicates the right-hand side variables of Eq.1

Finally, logit function is denoted as:

$$\log it(Pi) = [Pi\ /\ (1 - Pi)] \quad (4)$$

P_i = probability of $Y_i = 0$ and βi represent the coefficients of explanatory variables X_i (Age, Sex, Place of Residence, General education, Tech. Education, Marital Status, Religion, Caste, Wealth Quintile, Household type, Land Owned and State Regions); μ_i indicate the error term. The explanatory variables are both numeric and binary in nature; however, the dependent variable is only dichotomous in nature.

RESULTS AND DISCUSSION

The magnitude of youth inclusivity in India: Economic growth and youth workforce

The initiative by the Government of India in terms of economic liberalisation in the year 1991 opened the door of expansion for the Indian economy (Figure 4). Post-liberalization era has witnessed the transformation of the Indian economy from agriculture to the services sector. Despite sophisticated economic growth over the period, the economy was unable to create the number of jobs required for the growing share of youth in the country.

Over the period of study, the workforce status of youth has witnessed a decline of 26.1 percentage points (Figure 5). The falling figures of youth employment depict the lack of a connecting link between economic growth and labour market prosperity (Bisht & Pattanaik, 2020a) The shrinking job opportunities for youth in the labour market over the period raises a risk factor, as youth out of the workforce, represent a burden on the economy.

Figure 4. Distribution of India's GDP growth rate (in percentage) from 1993/94 to 2011/12
Source: Planning Commission of India

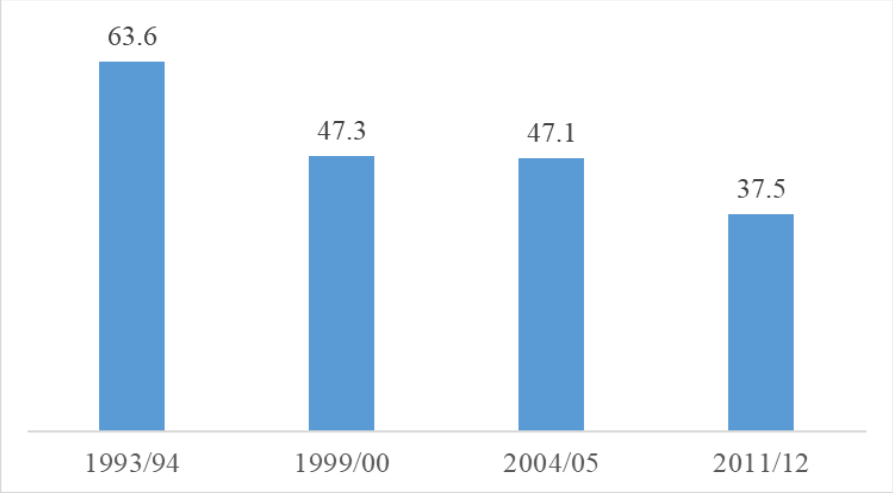

Figure 5. Distribution of youth WPR (in percentage) from 1993/94 to 2011/1
Source: Authors' calculation from National Sample Survey rounds on Employment and Unemployment

Magnitude of youth exclusivity from the economic growth of India

The magnitude of youth inclusivity/exclusivity from the economic growth of India is best understood by considering the macro (government and society), meso (household) and micro (individual) determinants of the labour market. The demographic and socio-economic determinants selected for the study represents the factors, which marks a striking effect on the decision of youth to remain employed. Detrimental factors determine the pathway of youth in the labour market.

The results of logistic regression (Table 1) reflect the likelihood of youth to remain in and out of the workforce. Considering the demographic and socio-economic background characteristics, age represents an individual characteristic of youth and defines the path of youth in school-to-work transition. Likelihood of youth to be in the workforce increases with

increase in age. For the year 2011/12, when 15-19 age group was determined as the reference group, the youth of 25-29 age group depicts the higher likelihood of being in the workforce followed by the 20-24 age group.

Gender disparity is the less discussed invisible hurdle of the labour market. Compared with male counterparts, female youth represent a very high and continuous increasing likelihood to remain out of the workforce. The increase in the probability of female youth to be out of workforce poignantly represented the gender disparity in the functioning of the labour market in India. The soaring figures indicate scanty employment opportunities for female youth in the labour market. The overall female is more vulnerable to find decent employment. Youth remains vulnerable in the labour market, especially the female (Mitra & Verick, 2013). Further, the youth labour market is not an exception to witness the sectoral disparity in terms of employment (Dolislager et al., 2020). With reference to rural counterparts, urban youth have observed improving chances of being in the workforce. The declining trend of youth likelihood to remain out of the workforce have witnessed a sudden dip between 2004/05 and 2011/12. Strengthening of the service sector in urban areas serves the purpose of engaging youth in gainful employment.

Table 1. Determinants of youth worker population ratio based on socio-economic and demographic background, 1993/94 to 2011/12

Background Characteristics	**1993/94**		**1999/00**		**2004/05**		**2011/12**	
	Odds Ratio	Robust SE.	Odds Ratio	Robust SE.	Odds Ratio	Robust SE.	Odds Ratio	Robust SE.
Age								
15-19 (Ref.)								
20-24	0.40***	0.005	0.29***	0.005	0.25***	0.004	0.18***	0.004
25-29	0.26***	0.004	0.17***	0.004	0.14***	0.003	0.08***	0.002
Sex								
Male (Ref.)								
Female	15.33***	0.199	18.17***	0.344	13.52***	0.229	16.57***	0.379
Place of Residence								
Rural (Ref.)								
Urban	1.57***	0.019	1.76***	0.027	1.50***	0.022	1.07***	0.018
General Education								
Illiterate (Ref.)								
Below Primary	1.05**	0.020	1.13***	0.029	0.85***	0.022	0.74***	0.029
Up to Primary	1.72***	0.029	1.56***	0.035	1.17***	0.026	0.83***	0.027
Up to Intermediate	5.12***	0.073	4.12***	0.078	3.05***	0.061	2.38***	0.067
Graduation & above	4.48***	0.124	4.42***	0.149	3.21***	0.115	3.06***	0.122
PG & above#	_	_	_	_	1.81***	0.123	1.49***	0.100
Technical Education								
Tech. (Ref.)								
No Tech. Edu.	1.06*	0.039*	1.04	0.046	1.22***	0.053	1.25***	0.060
Marital Status								
Never Married (Ref.)								
Currently Married	0.79***	0.011	0.75***	0.015	0.91***	0.017	0.74***	0.017
Others*	0.35***	0.020	0.40***	0.030	0.38***	0.031	0.25***	0.029
Religion								

Hindu (Ref.)								
Muslim	1.29***	0.020	1.22***	0.023	1.24***	0.023	1.09***	0.023
Christianity	0.85***	0.024	1.00	0.037	0.91***	0.031	1.05	0.044
Others**	0.93***	0.022	1.23***	0.039	1.09***	0.032	0.93*	0.035
Caste								
Scheduled Tribes (Ref.) Scheduled Castes	0.52***	0.014	1.81***	0.053	1.82***	0.054	1.44***	0.050
Other Backward Class	0.45***	0.011	1.83***	0.050	1.78***	0.048	1.52***	0.048
Others##	_	_	2.21***	0.058	1.88***	0.052	1.60***	0.051

Significance Level: ***p<1%, **p<5%, *p<10%. Note: Ref. - Reference Category; * Widowed and Divorced/Separated; ** Sikhism, Jainism, Buddhism and Zoroastrianism; # Graduate and PG & Above are combined in the years 1993/94 and 1999/00; ## Non-SC/ST/OBC groups, for 1993/94 OBC and others are combined.

Source: Authors' calculation from National Sample Survey rounds on Employment and Unemployment

The entry scenario of Indian youth labour market represents a fierce competition to the highly educated youth as they lack the practical experience (Bisht & Pattanaik, 2020b). Despite higher general education degree, the illiterate youth, who join the labour market at an earlier age, enjoys an upper hand of having a practical work experience of the labour market. Having a general graduate and higher degree does not ensure the achievement of skills required to sustain the stiff competition of the labour market. The labour market, like other markets, also relies on the phenomenon of demand and supply where the educational achievement should meet the demand of the youth labour market. The results indicate that with an increase in the level of general education of youth, the likelihood to remain out of workforce increases regarding the illiterate youth. Studies highlighted the relevance of skills in enhancing the employment prospects in labour market (Owenvbiugie, & Egbri, 2020). The same pattern has been observed throughout the period. Youth hailing from up to intermediate and graduation and above level of educational attainment depicts more than two times and almost three times respectively, higher chances of being out of the workforce. However, youth with education up to post-graduation & above represent almost two times higher likelihood of being out of the workforce, much lower than the youth with education up to graduation and above. Moreover, the probability of educated youth to be in the workforce have improvised over the period 1993/94 to 2011/12, yet the transition of educated youth from school-to-work remains an uphill task.

Caste represents one's individual identity in Indian society and marks a striking effect on their occupational status (Singh et al., 2019). Youth is not an exception to the impact of caste discrimination on their employment status. Compared with the reference category of Scheduled Tribes, the likelihood of Scheduled Castes, Other Backward Class and Others (Sikhism, Jainism, Buddhism and Zoroastrianism) youth to remain in the workforce have declined throughout the study. For the year 2011/12 highest vulnerability to stay out of the workforce is depicted by the youth from others category followed by the OBCs and the SCs youth regarding the STs. Religion represents the individual choice of social practices. Throughout the study, the likelihood of Muslim youth to remain employed have improved as compared with the reference category of Hindu youth. However, for the Christian youth, the possibility to stay in the workforce has declined during 1993/94 to 2011/12.

Highlighting the low level of youth inclusivity in the labour market of India, the need of the hour is to identify and discuss the status of missing youth in India. The disengaged youth are better termed as 'Not in Employment, Education or Training. The conceptualisation of NEET is of utmost priority for the policymakers in India. The large share of disengaged youth from the labour market effects economic progression. The next part of the findings sections portrays the magnitude of youth exclusivity from the labour market of India, envisaged through the NEET perspective.

Not in Employment, Education or Training (NEET): The concept and the case of missing youth labour force in India

NEET characterises the missing, inactive, disengaged or discouraged younger population who does not contribute to the economy (Zudina, 2018). The non-contribution of NEET youth highlights the unproductiveness of youth human capital. Due to the risk of growing NEET challenge among the younger generation, the NEET-youth are referred as 'Generation at Risk' (ILO, 2013). The NEET signifies the delayed or unsuccessful school-to-work transition of youth. The issue of missing youth from employment, education or training better abbreviated, as NEET remains a challenge for the target 8.6 of Sustainable Development Goals (SDGs)-2030 that focuses on reducing the number of NEET youth by the year 2020 (Rahman, 2020).

The origin of NEET dates back to the year 1999 in the United Kingdom, where Social Exclusion Unit used the term (SEU 1999) symbolising youth in the age bracket of 16-24 years missing from 'education, employment or training' (House of Commons, 2013). NEET became quite popular among the policymakers and labour economists of developed countries in the late 2000s. With the adoption of NEET at global level, variations in defining the concept also persist as NEET in some countries takes into account the graduate youth and youth working in the absence of decent work environment (Simmons, Thompson & Russell, 2014). NEET youth are characterised as present time vulnerable to the labour market requiring a policy intervention (Furlong, 2006). However, the critical characteristics of a NEET are the heterogeneous population, which increases with an increase in the age group to be considered for NEET (Furlong, 2006; Pemberton, 2008). Relatively, NEET youth highlights the inactive status, thereby not contributing to the economic growth in any form by remaining disengaged from any type of gainful economic activity. The gradual higher number of missing youth highlights the non-inclusion of the youth labour force into the mainstream of development. Compared to their Non-NEET counterparts, the NEET youth are more disengaged and discouraged from the economic as well as day-to-day societal activities (Papadakis, 2017).

Socio-economic and demographic distribution of NEET youth in India

On an economic front, the disengaged or inactive status of youth represents a national loss at the time when India is passing through the demographic dividend phase. The overall NEET rate for the period 1993/94, 1999/00, 2004/05 and 2011/12 has been estimated to be 21.4 percent, 30.7 percent, 28.5 percent and 28.4 percent respectively depicting an increasing trend of NEET rate (Table 2). Age marks an impeding effect on the NEET status of youth (Cabral, 2018). Considering age group classification of youth in India, the 25-29 years youth, represent the highest share of NEET youth followed by the 20-24 years and 15-19 years, respectively. The same pattern is observed over the period of study. However, NEET youth in the age group of 25-29 years has depicted a growth of 15.8 percentage points over the period.

The age group of 25-29 years marks the completion of the highest educational qualification in India, followed by the job search process. On the contrary, the age group 15-19 years highlights the end of higher secondary education level marked with the transition from school-to-college or work as per the income status of the family. However, lack of labour market-oriented skills avoids youth from applying for the job, and hence they fall in the category of NEETs.

Table 2. Distribution of Youth as NEET/Non-NEET based on socio-economic and demographic determinants- 1993/94 to 2011/12

Background Characteristics	1993-94			1999-00			2004-05			2011-12		
	NEET	Non-NEET	Total	NEET	Non-NEET	Total	NEET	Non-NEET	Total	NEET	Non-NEET	Total
Age												
15-19	18.2	81.8	33.2	24.1	75.9	36.8	20.4	79.6	37.0	15.5	84.5	37.3
20-24	22.7	77.3	33.8	34.2	65.9	32.3	33.1	66.9	33.5	33.5	66.6	32.5
25-29	23.2	76.8	33.0	34.8	65.2	30.9	33.3	66.7	29.6	39.0	61.0	30.2
Sex												
Male	1.4	98.6	58.2	3.5	96.5	51.0	2.3	97.7	51.3	2.2	97.8	51.6
Female	49.2	50.8	41.8	58.9	41.2	49.0	56.1	43.9	48.7	56.4	43.6	48.4
Place of Residence												
Rural	21.5	78.5	75.7	30.7	69.3	72.1	28.9	71.1	71.9	29.7	70.3	69.1
Urban	21.0	79.0	24.3	30.6	69.4	27.9	27.4	72.6	28.1	25.5	74.5	30.9
General Education												
Illiterate	29.7	70.3	37.6	43.1	56.9	29.7	44.4	55.7	22.8	52.6	47.4	13.2
Below Primary	20.3	79.7	10.5	34.4	65.6	8.8	32.7	67.3	9.0	40.8	59.2	7.2
Up to Primary	20.3	79.7	13.6	31.9	68.1	12.8	29.8	70.2	14.7	34.9	65.2	12.1
Up to Intermediate	14.1	85.9	34.4	22.1	77.9	44.0	20.5	79.5	48.0	21.2	78.8	59.1
Graduation	11.3	88.8	3.9	21.8	78.2	4.7	20.8	79.2	4.5	21.6	78.4	6.8
PG & above							24.8	75.3	1.1	22.0	78.0	1.7
Tech. Education												
No Tech Edu	21.7	78.3	98.0	31.1	68.9	97.7	29.0	71.0	97.4	29.1	70.9	96.8
Graduate Eng./Doc				11.2	88.8	0.3	6.0	94.1	0.3	2.8	97.2	0.5
Tech Dip	6.0	94.0	2.0	8.5	91.5	1.0	9.7	90.3	1.6	9.8	90.2	2.0
Tech Dip Grad/ab				13.8	86.2	1.0	12.9	87.1	0.7	12.8	87.3	0.7
Marital Status												
Never Married	10.4	89.6	46.9	16.1	83.9	50.4	13.8	86.2	53.5	11.6	88.4	59.0
Currently Married	31.3	68.8	52.0	45.7	54.3	48.7	45.7	54.3	45.8	52.9	47.1	40.6
Others*	20.1	79.9	1.1	29.5	70.5	0.9	26.9	73.1	0.7	30.7	69.3	0.4
Religion												
Hindu	20.6	79.4	84.2	29.7	70.3	82.0	27.4	72.6	81.6	27.7	72.3	80.7
Background	**1993-94**			**1999-00**			**2004-05**			**2011-12**		

Characteristics	**NEET**	**Non-NEET**	**Total**	**NEET**	**Non-NEET**	**Total**	**NEET**	**Non-NEET**	**Total**	**NEET**	**Non-NEET**	**Total**
Muslim	28.0	72.0	10.3	38.6	61.4	12.3	36.8	63.2	13.0	33.8	66.2	14.4
Christianity	13.3	86.7	2.4	20.7	79.3	2.5	18.3	81.7	2.1	19.6	80.4	2.0
Others**	26.2	73.8	3.1	32.3	67.7	3.2	28.1	71.9	3.3	27.1	72.9	2.9
Caste												
ST	15.8	84.2	9.3	21.4	78.6	8.7	19.4	80.6	8.4	24.9	75.2	8.8
SC	21.3	78.7	18.5	31.0	69.0	19.4	30.0	70.0	19.7	30.6	69.4	19.4
OBC	22.1	77.9	72.2	31.6	68.4	35.6	29.1	70.9	40.7	29.2	70.9	43.5
Others##				31.7	68.3	36.3	29.1	70.9	31.3	26.9	73.1	28.4
Total	**21.4**	**78.6**	**100**	**30.7**	**69.3**	**100**	**28.5**	**71.5**	**100**	**28.4**	**71.6**	**100**

Significance Level: ***p<1%, **p<5%, *p<10%. Note: Ref. - Reference Category; * Widowed and Divorced/Separated; ** Sikhism, Jainism, Buddhism and Zoroastrianism; # Graduate and PG & Above are combined in the years 1993/94 and 1999/00; ## Non-SC/ST/OBC groups, for 1993/94 OBC and others are combined.

Source: Authors' calculation from National Sample Survey rounds on Employment and Unemployment

On the other side, fellow youth entering the labour market at an earlier stage do face stiff competition from the adults, but they quickly adapt themselves with the fast pace changing labour market dynamics due to their low education level. Education marks a powerful impact on the decision of youth to enter the labour market, especially secondary education. Hence, studies opine that the selection of secondary school remains a top priority among the parents (Krishnapillai, et al., 2016). The axiom of higher expectation from a job with the raising educational attainment is the key characteristics of youth forcing them to remain out of the workforce. Substantially, being hidden in nature, the gender gap is the most precarious challenge for the labour market as well as for the economy (O'Reilly, 2017). Over the period of study, the male NEET rate has remained stacked to single-digit only. On the other side, the female NEET rate depicts an overall increasing pattern with the highest for the year 1999/00. Worldwide, the labour market disfavors female more in terms of employment, keeping them out of the workforce (Yang, 2020). Over the period of study, the female youth missing from employment, education or training has shown a growth of 7.2 percentage points. The figure highlights the gender disparity prevailing in the Indian youth labour market.

Meanwhile, the rural youth are more prone towards falling in the NEET category (de Almeida, & Simões, 2020). Although the NEET rate among youth is higher in rural areas, but the difference is very nominal with highest of 4.2 percentage points in 2011/12 for rural areas. Moreover, the inception of Mahatma Gandhi National Employment Guarantee Act (MGNREGA) since 2005 has served as one of the significant sources of employment for the unskilled labour in the rural sector. The lesser access of female youth to quality education and training in India restricts the inclusive approach of youth development in the country. It thereby contributes to destabilising the well-being of an economy as a whole in the long run (Dreze & Sen, 2011). Youth with technical background depicts a much lower NEET rate compared to their counterparts hailing from a general education background. The youth hailing from general education are at higher risk of missing from the labour market. Among the youth with a general education background, the highest NEET rate is depicted by the illiterate youth followed by youth having education below primary level and up to primary level respectively, over the period of study. Marriage being an essential custom of Indian society, mainly hold female youth from further contributing to economic growth. Overall, the currently married youth represents the highest NEET rate, followed by the other category. Over the period of study, the NEET rate among the currently married youth has shown a drastic increase of 21.6 percentage points.

Moreover, Muslim youth represent the highest NEET rate followed by the youth from other religions for the period 1993/94 to 2011/12. Despite specific preventive measures by the Government of India regarding the inclusion of SCs and STs into the mainstream of development caste still serves as the indicator of social discrimination resulting into economic discrimination across the working age of the population (Kumar, 2016). The unfairness of labour market creates involuntary unemployment among the SCs, STs and OBCs however, upper-caste remains out of the labour market by their unwillingness to work under the lower caste employer (Thorat, 2008). Further, the others represent the highest NEET rate, followed by SCs and STs for the year 1993/94. OBCs does not form the part of the survey for the year 1993/94. For the period 1999/00 and 2004/05, others still represent the highest NEET rate followed by the OBCs, SCs and STs respectively. Concluding, the results all together represents an inclining very high NEET rate among the youth in all the demographic and socio-economic aspects.

CONCLUSION

The declining workforce participation of youth reflects the lack of a connecting link between economic growth and the labour market functioning. The youth suffers from labour market instability, skill mismatch and competition from adult counterparts in India. Further, female youth highlights a very high level of exclusivity from the workforce regarding their male counterparts. Engagement of young female in unpaid chores is one of the confounding factor responsible for the declining workforce participation level of female youth. The study further portrays the strong influence of societal factors caste, religion and marital status on the individual choices of youth to remain out of the workforce. The significant impact of such factors has also been witnessed in the case of growing NEET youth in India. The towering figures of NEET youth reflect a high magnitude of youth exclusivity in the development process of India.

The growing NEET rate marks a significant setback for the target 8.6 of SDGs-2030. The need of the hour is to invest in the youth human capital to achieve the inclusive development as envisaged under the commitments of the SDGs. The potential of youth needs to channelised through productive employment, having equitable opportunities and decent working environment along with strengthened quality educational institutions and market-oriented training set-ups. Although, Government of India has initiated some programs like Startup India, Skill India Mission, etc. in this direction yet the measures seem to be inadequate in the present scenario.

Concluding, the study advocates to the policy front that as a measure to achieve the youth-centric inclusive commitments, the Government of India needs to come up with active labour market policies backed with the market-driven innovations for generating employment opportunities for the youth labour force in India. The initiative in this direction will address the case of disengaged youth too, which remains secluded from the development process.

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