

Declining Interest in Education and Jobs Amongst Educated Youth in India

A Quantitative and Humanised Inquiry into the Great Indian Aspiration Paradox

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Abstract

India stands at a curious social crossroads. It has more college-going young people than at any point in its history, yet a growing number of them are quietly withdrawing — from the classroom, from the job hunt, and in the saddest cases, from hope itself. This report combines national labour and education statistics with humanised field narratives to examine why interest in formal education and formal employment is declining among precisely the cohort that was meant to be India's demographic dividend: its educated youth. Drawing on the Periodic Labour Force Survey (PLFS) 2025, the All India Survey on Higher Education (AISHE) 2023-24, NITI Aayog's internationalisation report, and peer-reviewed mental-health studies, the report shows that graduate unemployment (11.2%) runs more than three times the national average (3.1%), that nearly a quarter of India's youth are Not in Employment, Education or Training (NEET), and that over 13 lakh students now leave the country every year in search of what the domestic system increasingly fails to promise them. Behind each percentage point sits a young person renegotiating their relationship with ambition itself. The report closes with sociologically grounded recommendations for policy, pedagogy, and public conversation.

1. Introduction

For three generations after independence, the Indian household ran on a simple, almost sacred formula: study hard, earn a degree, and a job — even if modest — would follow. Parents sold land, mortgaged jewellery, and skipped meals to keep a child in school, confident that education was the one investment that never failed. That formula is now breaking down in full public view, and the young people living through its collapse are the ones paying for it, not just in lost income, but in lost belief.

This report is not another restatement of the unemployment rate. It asks a quieter and more sociological question: what happens to a generation's relationship with education and work when the promised return on both stops arriving? The 'decline' in the title is therefore read in two linked senses — a measurable decline in labour force participation, enrolment momentum, and job-search intensity, and a less measurable but equally real decline in psychological investment: the fading of the belief that trying will be rewarded.

2. Objectives of the Study

- To quantify the extent and pattern of unemployment and underemployment among educated Indian youth using the latest official data.
- To examine trends in higher-education enrolment and outbound student migration as indirect indicators of declining faith in the domestic education system.
- To document the psychological and familial costs of prolonged educated unemployment.
- To humanise the statistical picture through composite field narratives representative of lived experience.
- To propose sociologically informed, policy-relevant recommendations.

3. Research Methodology

This is a desk-based, mixed-method research workshop report. The quantitative component draws on secondary data from the Periodic Labour Force Survey (PLFS) Annual Report 2025 (Ministry of Statistics and Programme Implementation), the All India Survey on Higher Education (AISHE) 2023-24, the NITI Aayog report on the Internationalisation of Higher Education, Ministry of External Affairs data on outbound students, Union Public Service Commission examination statistics, and peer-reviewed studies on youth mental health published in journals such as Scientific Reports and IJRASET. The qualitative component consists of composite narrative vignettes constructed by the author to synthesise recurring patterns reported across published surveys, journalistic field reporting, and case-study literature on educated unemployment in India. These vignettes are illustrative composites — they represent no single identifiable individual — and are used strictly to humanise aggregate trends, not as primary ethnographic data.

4. The Numbers: Mapping a National Paradox

4.1 The Core Contradiction — Educated but Unemployed

The starkest fact in Indian labour statistics is also the most counter-intuitive: the more educated a young Indian is, the more likely they are to be unemployed. The overall unemployment rate in India held steady at 3.1% in 2025. Among graduates, however, it stood at 11.2% — more than three times the national figure. Postgraduates fared only marginally better at 10%, while those with secondary education or above recorded 6.5%. Independent economist analysis of the same PLFS round places tertiary-educated youth (18–29 years) unemployment as high as 29.4%, against 14.8% for all youth in that age band.

Educational Category	Unemployment Rate (2025)
National average (all persons)	3.1%
Graduates (all ages)	11.2%
Rural graduates	11.8%

Educational Category	Unemployment Rate (2025)
Urban graduates	10.6%
Post-graduates	10.0%
Secondary education and above	6.5%
Tertiary-educated youth (18–29)	29.4%
Female tertiary-educated youth	29.4%
Male tertiary-educated youth	19.2%

Table 1. Unemployment rate by educational attainment, PLFS Annual Report 2025 / independent PLFS-based analyses.

The pattern is not new, but it is hardening. As far back as 2022-23, graduate unemployment stood at 13.4%, with states such as Odisha recording 21.9% and Rajasthan 23.1% — a reminder that the crisis is sharply regional as well as national. What has changed is the scale of the population it now touches: India's labour force participation rate (LFPR) rose from 56.1% in 2022 to 59.8% in 2023 but has since slipped for two straight years to 59.3% in 2025, while youth (15–29) participation has fallen to 46%. Fewer young people, in other words, are even in the race.

4.2 The Invisible Half — NEET and the Gendered Exit

Unemployment statistics only count people who are actively looking for work. A much larger and more troubling category has simply stopped looking. In 2025, roughly one in four Indian youths (25%) fell into the NEET category — Not in Employment, Education, or Training. Among tertiary-educated youth specifically, 40.1% were NEET. The gender split within this group is severe: nearly half (49.4%) of women with a graduate degree or higher are NEET, and of female NEET youth, 93.4% are not even seeking work — they have exited the labour force altogether, most often due to caregiving expectations, safety concerns, or discouragement after repeated rejection.

Indicator	Value
Youth (15–29) classified as NEET, 2025	25%
Tertiary-educated youth who are NEET	40.1%
Female graduates who are NEET	49.4%
Female NEET youth not seeking work at all	93.4% / 74.7%*
Female graduate labour force participation	43.9%
Male graduate labour force participation	85.9%

*Table 2. NEET and labour-force participation among educated youth, PLFS 2025 (*figures vary slightly by source; both cited ranges reported in recent analyses).*

The sociological reading here matters more than the arithmetic. A young woman who completes a college degree and then withdraws from the labour market is not a labour-market statistic alone — she is a decision, and often a heartbreaking one, taken inside a family that weighs a daughter's ambition against its own anxieties about safety, marriage timelines, and household reputation. Education has expanded faster than the social permission to use it.

4.3 A Slowing Climb — Higher Education Enrolment

If jobs are not rewarding a degree, does interest in obtaining one still grow? The answer is a hesitant yes, but the momentum is visibly draining. India's Gross Enrolment Ratio (GER) for higher education, the share of the 18–23 age group enrolled in college, rose only marginally from 29.5% to 30.0% between 2022-23 and 2023-24 — nowhere near the National Education Policy's 2035 target of 50%. Total enrolment reached a record 45 million, but the annual addition of roughly 370,000 students was barely a fifth of the 1.3 million added the year before. Eleven states and Union Territories recorded outright declines in enrolment in preceding survey rounds, with Lakshadweep's undergraduate numbers falling by 84% in a single year and Uttarakhand by 8.4%.

Year	GER (18–23 age group)	Y-o-Y New Enrolment Growth
2021-22	28.4%	3.0% (approx.)
2022-23	29.5%	1.3 million new students
2023-24	30.0%	0.37 million new students (0.8%)

Table 3. Gross Enrolment Ratio and enrolment growth, AISHE 2022-23 and 2023-24.

A record headline enrolment figure is therefore compatible with declining enthusiasm once growth is examined year-on-year rather than in absolute terms. The system is still growing, but the deceleration itself is a social signal: fewer families each year are choosing to make the same bet their predecessors made.

4.4 Voting with Their Feet — The Migration Exit

Where domestic faith in education falters, the most privileged and determined segment of Indian youth simply leaves. NITI Aayog's 2025 report on the internationalisation of higher education found that for every one foreign student who came to India in 2024, 28 Indian students went abroad, up from a ratio of 1:25 just three years earlier. The number of outbound Indian students climbed from 11.59 lakh in 2021-22 to 13.36 lakh in 2024, with the Ministry of External Affairs separately estimating 1.8 million Indians studying overseas in 2025 — up from 1.3 million just two years before. Canada, the United States, and

the United Kingdom together host the largest share, though tightening visa regimes in all three have begun to reshape (not reverse) the outflow.

Metric	Figure
Outbound Indian students, 2021-22	11.59 lakh
Outbound Indian students, 2024	13.36 lakh
Indians studying abroad, 2025 (MEA est.)	1.8 million
Ratio of outbound to inbound students, 2024	28 : 1
Estimated annual overseas education spend by 2025	~₹6.2 lakh crore
Growth in LRS education remittances, 2014–2024	~2,000%

Table 4. Outbound student mobility and its economic footprint, NITI Aayog (2025) / Ministry of External Affairs.

This is brain drain measured in rupees, but it is better understood in India as an aspiration audit: families are not merely seeking a foreign degree, they are pricing in the domestic system's inability to convert a degree into a livelihood, and choosing to pay a premium elsewhere for a probability of return that India itself no longer guarantees.

4.5 The Government-Job Magnet and Its Mathematics of Despair

A parallel and equally telling trend is the funnelling of educated ambition into government recruitment examinations, regardless of how implausible the odds. The Union Public Service Commission's Civil Services Examination now draws 10–13 lakh applicants annually for around 1,000 vacancies — a competition ratio exceeding 1,000:1, with an overall historical success rate since 1947 of just 0.53%. Before 2013, the average was one selection for every 365 aspirants; today it is closer to one in 1,215. State-level recruitment mirrors the same absurdity: Rajasthan received 24.76 lakh applications for 53,749 peon posts in 2025, and Telangana received over 9.5 lakh applications for Group 4 clerical posts in 2022, with PhD holders, MBAs, and law graduates routinely applying for positions far below their qualification level.

Recruitment Exam / Post	Applicants	Vacancies	Approx. Ratio
UPSC Civil Services (annual, recent years)	10–13 lakh	~1,000	1,000+ : 1
Rajasthan Peon recruitment, 2025	24.76 lakh	53,749	~46 : 1
Telangana Group 4 posts, 2022	9.5 lakh+	not specified	very high

Table 5. Selected government recruitment ratios illustrating over-subscription for secure employment.

A 2023 survey of UPSC aspirants published in IJRASET found that 53.3% rated their own mental health as poor, citing emotional distress, loneliness, and impaired daily functioning. This is the sociological core of the government-job magnet: it is not simply a rational search for a stable salary, but a search for the dignity, certainty, and social respectability that the private and informal sectors have stopped reliably offering.

4.6 The Psychological Ledger

Numbers on livelihood inevitably become numbers on mental health. A peer-reviewed study of higher-educated migrant youth in Kolkata (Scientific Reports, 2024) found depression prevalence of 54.4%, anxiety of 61.8%, and stress of 47.9%, with unemployed respondents scoring significantly worse than their employed peers on every measure. Broader estimates suggest 20–25% of Indian youth overall report symptoms of depression, anxiety, substance use, or suicidal ideation, and researchers have separately noted that a parent's distress rises by more than 12% when an adult child remains unemployed — a reminder that this crisis does not end with the individual jobseeker; it moves through the whole household.

Mental Health Indicator (educated/unemployed youth)	Reported Prevalence
Depression (higher-educated migrant youth, Kolkata study)	54.4%
Anxiety (same study)	61.8%
Stress (same study)	47.9%
UPSC aspirants rating own mental health as poor	53.3%
Indian youth (general) reporting mental health symptoms	20–25%
Rise in parental depression risk linked to child's unemployment	>12%

Table 6. Selected mental-health indicators associated with educated unemployment in India.

5. Humanising the Numbers: Composite Field Narratives

The following vignettes are composites drawn from recurring patterns documented across published surveys and field reporting on educated unemployment in India. They represent no single real, identifiable person; they exist to give the statistics above a human voice.

The Postgraduate Who Stopped Opening the Results Page

She finished her M.A. with a gold medal and, for two years, refreshed recruitment portals every morning before her family woke up. By the third year, she had stopped telling relatives she was 'still preparing.' She now tutors schoolchildren in the evenings, work she calls 'something to say I'm doing,' not the career she trained for. Her parents never ask about jobs anymore; they have quietly reclassified her ambition as a phase that is taking longer than expected.

The Engineer at the Peon Recruitment Line

He queued for six hours to submit a form for a state government peon vacancy, one of tens of thousands of applicants for a post his engineering diploma technically overqualifies him for. He did not mention his degree on the walk home. 'A salary that arrives on the first of the month,' he said, 'is worth more right now than a title that arrives never.'

The Fourth-Attempt UPSC Aspirant

Four years into preparing for the civil services examination, he has stopped counting the money his family has spent on coaching and mostly stopped counting the years too. His sleep has thinned, his friendships have narrowed to other aspirants who understand the specific loneliness of studying twelve hours a day toward odds of roughly one in a thousand. He says he does not know, anymore, whether he wants to become an officer or simply wants the studying to have meant something.

The Daughter Who Was Allowed to Study but Not to Work

Her degree hangs framed in the drawing room, evidence of a family's investment and pride. But job offers two cities away were met with a firm no; safety and marriage timelines mattered more than her placement letter. She is, by every official measure, NEET: educated, unemployed, and not seeking work. By her own description, she is simply 'waiting for permission that isn't coming.'

The One Who Left

His parents sold a portion of ancestral land to fund a master's degree in Canada, calculating — correctly, by most accounts — that a foreign qualification bought a probability of return that no Indian classroom could match. He now sends money home each month and video-calls on Sundays. His mother is proud. She also admits, quietly, that she did not expect her son's future to require a different country.

6. Discussion: Reading the Pattern Sociologically

Three linked processes emerge from the data. First, a credential-outcome mismatch: India now produces more graduates than its formal economy can absorb into commensurate work, so each additional degree buys less certainty than the one before it, particularly outside a narrow band of elite institutions and disciplines. Second, an aspiration-permission gap along gender lines: education has expanded faster than the social latitude granted to young women to act on it, converting a rising GER into a rising female NEET rate rather than rising female employment. Third, a slow substitution of ambition itself — from career-building toward risk-minimisation — visible in the flight to government examinations (however improbable the odds) and to migration (however costly), both of which are best understood not as irrational choices but as rational responses to an domestic system that has stopped reliably rewarding effort with outcome.

What is declining, in the end, is not intelligence, industriousness, or even ambition in the raw sense. What is declining is trust — the specific, intergenerational trust that a family's investment in a child's education will be met halfway by a labour market willing to use it. Every statistic in Section 4 is, underneath the percentage sign, a record of that trust eroding one household at a time.

7. Recommendations

- Recalibrate higher-education expansion toward employability: strengthen vocational, skill-linked, and apprenticeship-integrated degree tracks rather than pursuing enrolment growth for its own sake.
- Diversify and de-risk the government-job magnet by reforming state-level recruitment processes (predictable calendars, digitised and time-bound selection) so that secure employment is not synonymous with a single, overcrowded examination pathway.
- Invest in local, safe, and socially sanctioned employment options for young women, addressing the mobility and safety constraints that convert educational attainment into NEET status rather than employment.
- Build mental-health infrastructure specifically for job-seeking and exam-preparing youth, including campus and coaching-hub counselling services, given the documented depression and anxiety prevalence in this population.
- Improve labour-market signalling — career counselling, real-time employment data, and sector-specific skilling — so that enrolment choices are made with better information about downstream demand.
- Treat outbound student migration as a policy signal rather than only an economic loss: the ratio and its trend line are a direct, real-time referendum on domestic higher-education quality and post-study employability.

8. Conclusion

The decline documented in this report is not a decline in the capability of Indian youth. It is a decline in the returns the system offers for that capability, and the slow, painful recalibration of hope that follows when returns stop arriving. A graduate unemployment rate three times the national average, a quarter of youth outside employment, education, and training altogether, and over a million students choosing to study elsewhere are not separate crises. They are the same crisis, read from three different vantage points: the classroom, the household, and the border. Addressing it will require India to treat youth aspiration not as an inexhaustible resource to be drawn upon, but as a fragile social contract that, once broken, is exceedingly difficult to rebuild.

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