# Rural Wages: The Rise That Came From New Villages

In this summary: what this brief finds; the true picture, wages on the same villages; what the Government must do.

The Labour Bureau publishes a monthly figure for what a day's work pays in rural India, and that figure is the Government's main measure of rural wages. In July 2025 the series jumped, and for a year it reported annual growth of 16.07 per cent to 19.55 per cent, against 6.56 per cent in June 2025. This brief explains why that happened and what the true picture is.

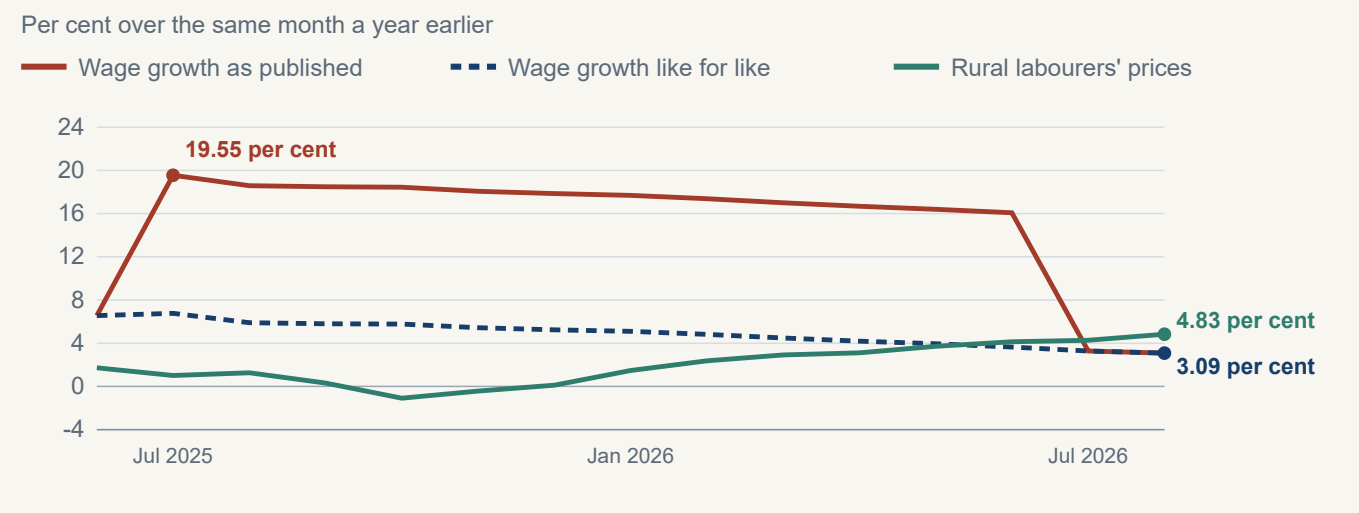
| Finding | What the Bureau's own figures show |
|---|---|
| **A jump of 12.66 per cent in one month** | The Bureau's average daily wage for rural men was Rs 453.51 in June 2025, and Rs 510.91 in July 2025. Since the 25-occupation series began in November 2013, no other month has carried a rise larger than 2.27 per cent. |
| **New villages, not new pay** | In July 2025 the Bureau began collecting wages in 787 new sample villages, which replaced 600 old ones. It then compared the new villages with the old ones, without ever linking the two series. |
| **Small territories given a large say** | Ten small States and Union Territories now hold 10.7 per cent of the sample villages, although they have only 0.65 per cent of India's rural workers. When the same jobs are compared, nine of them pay more than the all-India average. |
| **Twelve months of a boom on paper** | For twelve months the published growth ran at 16.07 to 19.55 per cent a year, because new villages were being set against old ones. When the same villages are compared, growth was 6.76 per cent in July 2025, falling to 3.65 per cent by June 2026. |
| **Real wages are now falling** | From July 2026 both years come from the same villages. Wages rose 3.09 per cent in August 2026 while rural labourers' prices rose 4.83 per cent, so the real wage fell 1.66 per cent. |

Sources: Read on 20 October 2026. Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Labour Bureau, Detailed Note on the CPI-AL and CPI-RL base revision, 18 July 2025; MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026; Labour Bureau, CPI-AL and CPI-RL press release for August 2026, 18 September 2026.

Shri Ajay Maken, Member of Parliament, Rajya Sabha

# The true picture: wages on the same villages

For twelve months the published growth rate compared two different samples. From July 2026 the comparison is fair again, because both years come from the same 787 villages.




| Month | Wage growth, published | Wage growth, like for like | Prices, CPI-RL | Real wage, like for like |
|---|---|---|---|---|
| July 2025 | 19.55 per cent | 6.76 per cent | 1.01 per cent | +5.69 |
| December 2025 | 17.85 per cent | 5.25 per cent | 0.11 per cent | +5.13 |
| March 2026 | 17.00 per cent | 4.48 per cent | 2.92 per cent | +1.52 |
| June 2026 | 16.07 per cent | 3.65 per cent | 4.13 per cent | -0.46 |
| July 2026 | 3.27 per cent | 3.27 per cent | 4.27 per cent | -0.96 |
| August 2026 | 3.09 per cent | 3.09 per cent | 4.83 per cent | -1.66 |

Like for like, growth slowed through the year and fell below price rises in mid-2026. Of every month since July 2021 that the Bureau's table allows to be compared, the 3.09 per cent of August 2026 is the slowest like-for-like growth.

Sources: Read on 20 October 2026. Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Labour Bureau, CPI-AL and CPI-RL press release for August 2026, 18 September 2026; RBI, Database on Indian Economy, CPI-AL and CPI-RL indices, fetched 11 October 2026; Office of Shri Ajay Maken, calculations of 20 October 2026.

# What the Government must do

The rural wage series records what a day's work pays the poorest households, so an error in it misleads everyone who uses it. For a year it showed rising rural pay that the Bureau's own villages do not support. Five steps would set it right.

| What the Government must do | Why |
|---|---|
| Publish a linking factor and a back series for the wage data. | The Bureau did this for its price index on 18 July 2025, on the same change of villages, but not for wages. |
| Mark every growth rate across July 2025 as not comparable, in the table itself. | The table shows growth of 16.07 per cent to 19.55 per cent for twelve months, and the figures in the table carry no mark beside them. |
| Weight the all-India wage by rural workers, and publish the number of village reports behind each State average. | Ten territories that have 0.65 per cent of rural workers hold 10.7 per cent of the sample. |
| Tell Parliament where the July 2025 to June 2026 figures were used, and correct those uses. | The Bureau's brief names the Commission for Agricultural Costs and Prices and the Reserve Bank among the users of this series. |
| Explain why the wage series was not linked. | No document of the Bureau that this office found gives a reason. |

The annexures set out the method fully enough for any statistician to repeat it from the Bureau's own table.

Sources: Read on 20 October 2026. Labour Bureau, Detailed Note on the CPI-AL and CPI-RL base revision, 18 July 2025; Labour Bureau, Wage Rates in Rural India, A Brief (undated); MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026.