Rural Wages: The Rise That Came From New Villages

In July 2025 the Labour Bureau's rural wage rose 12.66 per cent in a single month, the steepest monthly rise since its 25-occupation series began in November 2013. The rise came from a new sample of villages rather than from higher pay.

Comparing the same villages a year apart, rural wages rose 3.09 per cent in August 2026 while rural labourers' prices rose 4.83 per cent.

-1.66 per cent

change in the real rural wage, August 2026 over August 2025, same villages, 25 occupations, men

Shri Ajay Maken's office worked out every figure from the Labour Bureau's own table, and this brief is dated 20 October 2026.

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; Office of Shri Ajay Maken, calculations of 20 October 2026.

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This brief explains what changed in the Labour Bureau's rural wage series in July 2025, and what the true picture of rural wages is. The annexures carry the method and the sources.

Sources: Read on 20 October 2026. Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Labour Bureau, Wage Rates in Rural India, A Brief (undated).

What this brief finds

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.

What the Labour Bureau measures

Every month the Labour Bureau publishes the average daily wage paid in rural India, by State and by occupation. The Commission for Agricultural Costs and Prices uses these figures when it works out crop costs for minimum support prices, and the Reserve Bank uses them too, as the Bureau's own brief records.

Question	The answer in the Bureau's own description
Who collects the wages	Field staff of the National Statistics Office visit the sample villages every month
Where	The same villages the Bureau uses for its price index for agricultural and rural labourers
Which jobs	25 occupations, 12 in farming and 13 outside it, for men and women separately
How a State figure is made	The simple average of the wages reported by that State's villages
How the all-India figure is made	All village wages in the country added up and divided by the number of reports

The last row matters most, because the all-India wage is not weighted by how many workers each State has. Each village report counts once, wherever it comes from.

Because each village report counts once, the number of villages in a State's sample decides its weight in the national figure, rather than the number of workers who live there. If the sample changes, the weights change with it, even when nobody decides to change them.

Sources: Read on 20 October 2026. Labour Bureau, Wage Rates in Rural India, A Brief (undated).

What changed in July 2025

In July 2025 the Bureau moved its price index for agricultural and rural labourers to a new base year, 2019. With that change it chose a new sample of villages, and because it collects wages in the same villages, the wage series moved to the new villages too.

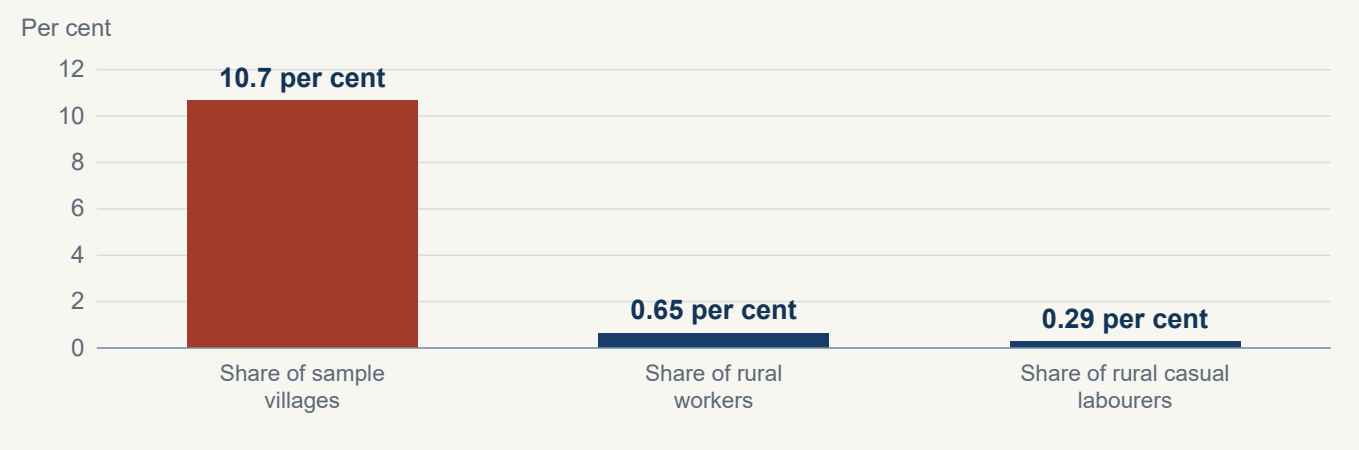
	Wages up to June 2025	Wages from July 2025
Base year of the linked price index	1986-87	2019
Sample villages	600	787
States and Union Territories covered	20	34
Villages in the ten small States and Union Territories	0	84
Minimum villages for any State or Union Territory	no minimum	8

The Bureau's table compares July 2025 in the new villages with July 2024 in the old villages, and those are different places. The Bureau published a linking factor for its price index, which is a number that joins the old series to the new one, but for wages it published none.

Sources: Read on 20 October 2026. Labour Bureau, Detailed Note on the CPI-AL and CPI-RL base revision, 18 July 2025; Labour Bureau, Index Review Committee report, September 2026.

Ten small territories with a large say

Ten States and Union Territories had no villages in the old sample. They now hold 84 of the 787 villages, which is 10.7 per cent of the sample. Those ten hold 0.65 per cent of India's rural workers and 0.29 per cent of its rural casual labourers.



In the national average, the ten small units carry about sixteen times the weight that their share of rural workers would give them.

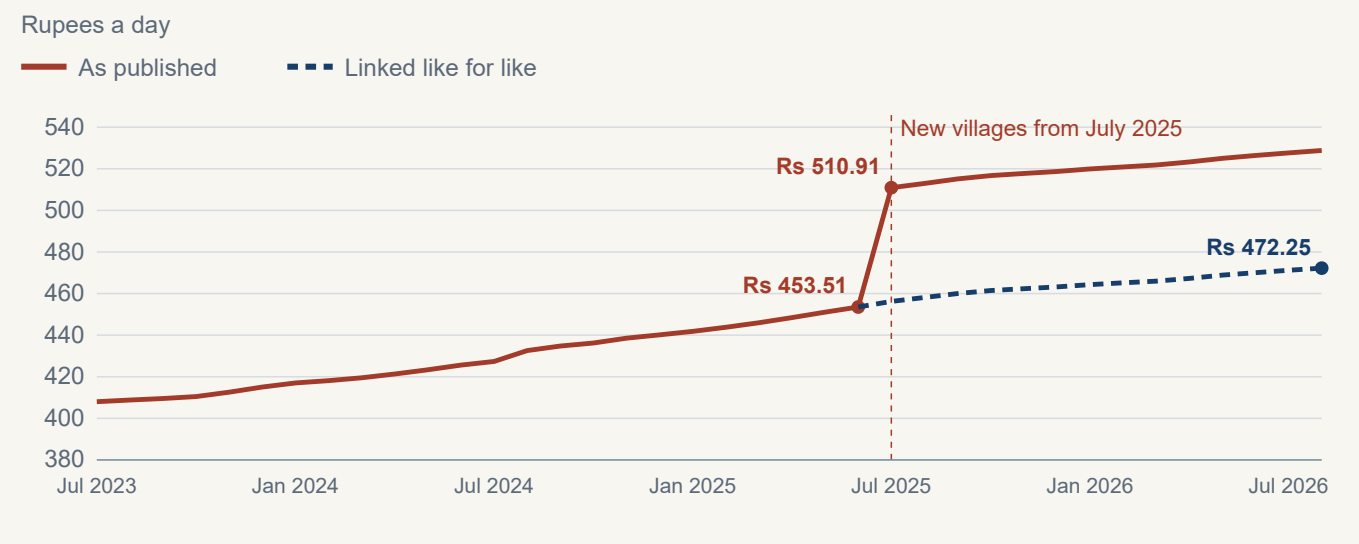
State or Union Territory	Villages	Share of rural workers	Occupations reported	Its average wage, men	All-India average, same occupations	Difference, per cent
Andaman and Nicobar Islands	7	0.03 per cent	11	Rs 999.49	Rs 563.57	+77.35
Sikkim	8	0.08 per cent	13	Rs 762.81	Rs 548.16	+39.16
Puducherry	8	0.05 per cent	11	Rs 757.76	Rs 557.62	+35.89
Lakshadweep	5	0.00 per cent	13	Rs 715.59	Rs 552.74	+29.46
Mizoram	8	0.05 per cent	21	Rs 685.71	Rs 515.57	+33.00
Goa	8	0.05 per cent	12	Rs 653.65	Rs 545.58	+19.81
Nagaland	8	0.16 per cent	13	Rs 651.41	Rs 528.15	+23.34
Delhi	8	0.03 per cent	12	Rs 632.29	Rs 550.48	+14.86
Arunachal Pradesh	8	0.15 per cent	16	Rs 596.37	Rs 529.48	+12.63
Dadra and Nagar Haveli and Daman and Diu	16	0.04 per cent	15	Rs 482.44	Rs 539.54	-10.58

Each unit reports only some of the 25 occupations, so its wage is set against the all-India average for the same occupations in July 2025. Nine of the ten paid more, from 12.63 per cent more in Arunachal Pradesh to 77.35 per cent more in Andaman and Nicobar Islands, while Dadra and Nagar Haveli and Daman and Diu paid 10.58 per cent less. Adding the ten units together raised the national average by 4.57 points in that month, as the annexure on method shows.

Sources: Read on 20 October 2026. Labour Bureau, Index Review Committee report, September 2026; MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026; Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026.

What the change did to the wage

The red line is the wage as the Bureau publishes it. It climbs gently for two years and then leaps by Rs 57.40 in one month, from Rs 453.51 to Rs 510.91. The dashed blue line shows the same months if the new villages are joined to the old series at the point of change, which is what the Bureau did for its price index.



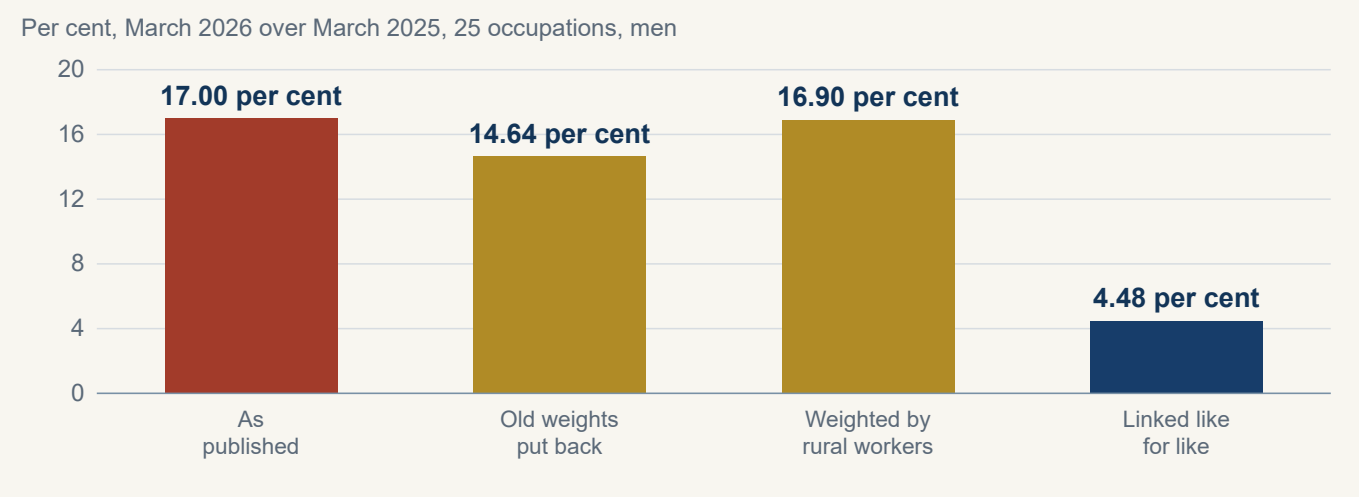
The two lines stand about Rs 54.66 a day apart in July 2025, and that gap comes from the change of villages rather than from any rise in pay.

No other monthly rise of this size appears in the 25-occupation series, which began in November 2013. The next largest monthly rise in that series was 2.27 per cent, against 12.66 per cent in July 2025.

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; Office of Shri Ajay Maken, calculations of 20 October 2026.

Putting the old weights back is not enough

The Wire reported on 24 June 2026 that the jump came from the extra weight given to the ten small territories. That is part of the story. The chart shows rural wage growth in March 2026 worked out four ways.



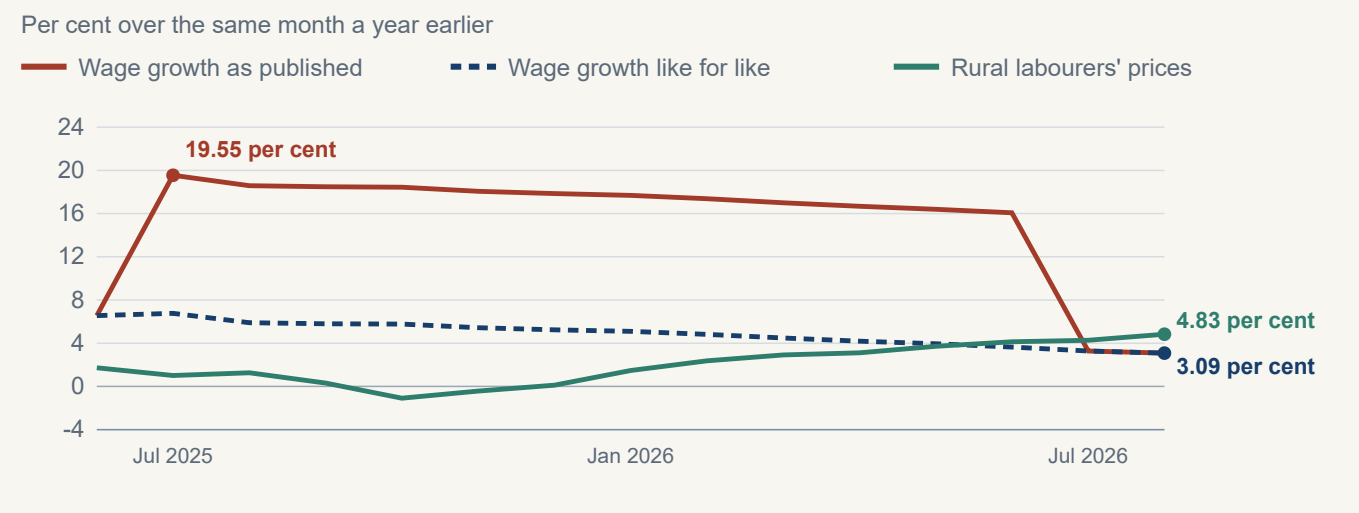
Giving each State its old weight again still leaves growth at 14.64 per cent, and weighting each State by its rural workers leaves it at 16.90 per cent. Growth comes down to 4.48 per cent only when the new villages are joined to the old series.

So the fault is larger than the weights. The ten small territories explain about a third of the July 2025 jump. Most of the rest came because the villages inside the same States were replaced, and the new villages report higher wages than the old ones did. When a sample changes in this way, statisticians join the old and new series with a link, and the Bureau gave none for wages.

Sources: Read on 20 October 2026. The Wire, article by M K Venu on the Systematix note, 24 June 2026; Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026; Office of Shri Ajay Maken, calculations of 20 October 2026.

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.



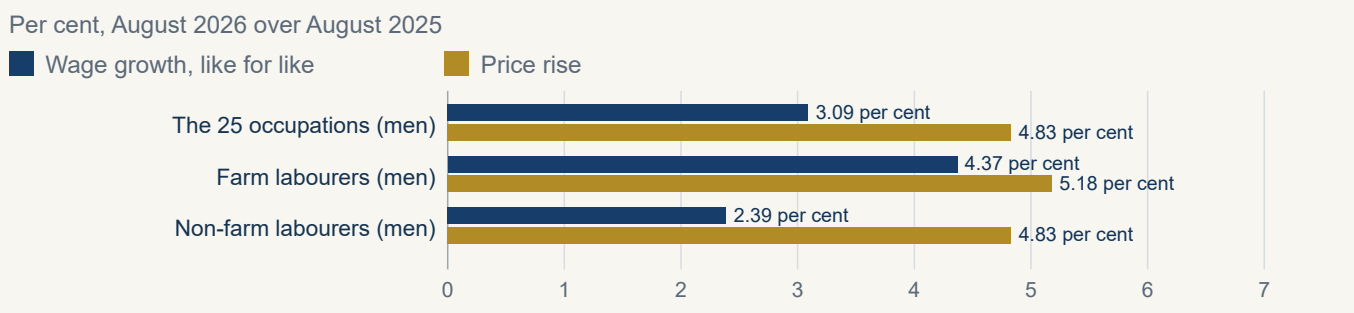
Month	Wage growth, published	Wage growth, like for like	Prices, CPI-RL	Real wage, like for like
July 2025	19.55 per cent	6.76 per cent	1.01 per cent	+5.69
December 2025	17.85 per cent	5.25 per cent	0.11 per cent	+5.13
March 2026	17.00 per cent	4.48 per cent	2.92 per cent	+1.52
June 2026	16.07 per cent	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 it means for rural workers

Comparing the same villages a year apart, wages of male farm labourers rose 4.37 per cent in August 2026, while their price index rose 5.18 per cent. Wages of male non-farm labourers rose 2.39 per cent, while their prices rose 4.83 per cent.



Workers	Wage growth	Price rise	Real wage
The 25 occupations, men	3.09 per cent	CPI-RL 4.83 per cent	-1.66
General agricultural labourers, men	4.37 per cent	CPI-AL 5.18 per cent	-0.77
Non-agricultural labourers, men	2.39 per cent	CPI-RL 4.83 per cent	-2.33

Prices are rising faster still. In September 2026 the price index for agricultural labourers rose 6.30 per cent and the one for rural labourers 5.98 per cent. The Bureau's wage figures for September are due on 30 October 2026.

Rural wages had also fallen behind prices before the change. On the old villages, the real wage was below its level a year earlier in every month from January to September 2024, by as much as 1.94 per cent on the Bureau's price index for agricultural labourers.

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; Labour Bureau, CPI-AL and CPI-RL press release for September 2026, 19 October 2026; RBI, Database on Indian Economy, CPI-AL and CPI-RL indices, fetched 11 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.

Annexure 1: how the all-India wage is built, and a test of it

The Bureau's brief states the rule: the all-India average is the sum of all wage quotations across States, divided by the number of quotations. If State s sends n quotations with average wage W, the all-India wage is therefore the sum of n times W over States, divided by the sum of n.

The Bureau does not publish the number of quotations, so the test uses the number of sample villages in place of n. If the rule holds, weighting each published State average by its village count should give back the published all-India figure.

Period	Occupation and sex cells tested	Median error, village-weighted	Median error, simple average of States
Up to June 2025, old villages	379	2.12 per cent	5.37 per cent
From July 2025, new villages	235	1.15 per cent	8.33 per cent

Cells are occupation, sex and month from July 2023, with at least 90 per cent of villages in States that report a value. The error is the absolute difference from the published all-India figure.

The village-weighted average comes within 1.15 per cent of the published figure for the median cell after July 2025, and within 0.97 per cent for every month of general agricultural labourers, non-agricultural labourers and construction workers. A simple average of States misses by 8.33 per cent. The remaining error comes from villages that do not report every occupation.

So each State's weight in the all-India wage is, in practice, its share of the sample villages.

Sources: Read on 20 October 2026. Labour Bureau, Wage Rates in Rural India, A Brief (undated); Labour Bureau, Index Review Committee report, September 2026; Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Office of Shri Ajay Maken, calculations of 20 October 2026.

Annexure 2: four ways to weight the series

Each occupation's all-India wage is rebuilt from the State averages under three rules, and the 25 occupations are then averaged. Old weights keep the 1986-87 village counts after July 2025, splitting each undivided State's count between its present parts in the ratio of their new counts, and giving the ten small units no weight. Worker weights use each State's share of rural workers in every month. Annexure 4 describes the linked series.

Month	Published	Old weights	Worker weights	Linked
June 2025	6.56 per cent	7.11 per cent	7.06 per cent	6.56 per cent
July 2025	19.55 per cent	16.22 per cent	20.14 per cent	6.76 per cent
December 2025	17.85 per cent	15.24 per cent	17.78 per cent	5.25 per cent
March 2026	17.00 per cent	14.64 per cent	16.90 per cent	4.48 per cent
June 2026	16.07 per cent	13.90 per cent	16.78 per cent	3.65 per cent
July 2026	3.27 per cent	4.37 per cent	3.45 per cent	3.27 per cent
August 2026	3.09 per cent	3.73 per cent	3.04 per cent	3.09 per cent

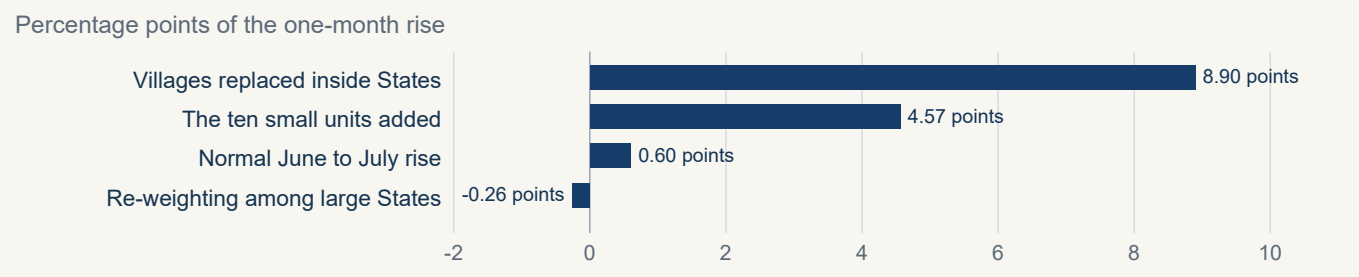
Growth over the same month a year earlier, per cent, average of 25 occupations, men. Before July 2025, the old-weight and published series use the same villages and differ only by the rebuild error shown in Annexure 1.

Re-weighting lowers growth in March 2026 from 17.00 per cent to 14.64 per cent with old weights, and to 16.90 per cent with worker weights. Neither comes near the 6.56 per cent of June 2025, the last month in which both years used the old villages. Most of the break comes from the change of sample inside the States rather than from the weights.

Sources: Read on 20 October 2026. Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Labour Bureau, Index Review Committee report, September 2026; MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026; Office of Shri Ajay Maken, calculations of 20 October 2026.

Annexure 3: splitting the July 2025 jump into its parts

The jump from June to July 2025 is rebuilt with one method on both sides and split into three steps. First, the old weights are applied to the new villages, which measures the change of villages inside the same States. Second, the new village counts replace the old ones among the large States. Third, the ten small units are added.



Series	Published jump	Rebuilt jump	Normal rise	Villages replaced	Re-weighting	Ten small units
The 25 occupations, men	12.66 per cent	14.20 per cent	0.60	8.90	-0.26	4.57
General agricultural labourers, men	4.95 per cent	3.16 per cent	0.67	2.15	-0.72	1.06
General agricultural labourers, women	7.17 per cent	4.12 per cent	0.83	2.51	0.05	0.71
Non-agricultural labourers, men	14.26 per cent	14.28 per cent	0.42	12.33	-0.04	1.40
Construction workers, men	9.97 per cent	9.41 per cent	0.59	6.97	-0.85	2.59

Per cent and percentage points. The normal rise is the median change from June to July, which is taken from the old series for 2014 to 2024. The steps multiply, so the points add up only approximately.

For the 25-occupation average, the ten small units account for 32.1 per cent of the rebuilt jump, which is about a third. The replacement of villages inside the States accounts for most of the rest.

Sources: Read on 20 October 2026. Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026; Labour Bureau, Index Review Committee report, September 2026; Office of Shri Ajay Maken, calculations of 20 October 2026.

Annexure 4: joining the new villages to the old series

A linked series treats July 2025 as a new sample. The June 2025 level is carried forward by the normal June to July change of the old series, and from then on the series follows the new villages' own month-to-month changes. The Bureau published linking factors to join its old and new price indices, but none for wages, and no month exists in which both wage samples were collected, so the link here rests on the normal June to July move.

The normal change is the median of the June to July moves from 2014 to 2024, which is 0.60 per cent. Two years are left out: 2020 as a pandemic year, and 2022 because July 2022 is missing. The assumption affects only July 2025 to June 2026. From July 2026 both years are on the new villages, and the growth rate needs no assumption at all.

June to July move assumed	Move, per cent	Linked growth, March 2026
None	0.00	3.86 per cent
Smallest past move	0.32	4.19 per cent
Median past move (used)	0.60	4.48 per cent
Largest past move	0.85	4.74 per cent

Each row gives linked growth in March 2026 on the June to July move assumed in that row, for the average of 25 occupations, men. The published figure is 17.00 per cent.

Whatever move is assumed, linked growth in March 2026 lies between 3.86 per cent and 4.74 per cent, far below the published 17.00 per cent. The like-for-like rate of 3.09 per cent in August 2026 is the slowest of any month the table can compare since July 2021, when the rate was 2.45 per cent. July to December 2022 are missing from the table, so a slower month may sit in that gap.

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; Office of Shri Ajay Maken, calculations of 20 October 2026.

Annexure 5: sources

Every figure in this brief is worked out from the Labour Bureau's own wage table and price indices, and from MoSPI's PLFS 2025 records. Each source below carries a link to its public address.

Source	Where
Labour Bureau, Wage Rates in Rural India, A Brief (undated)	public address
Labour Bureau, Detailed Note on the CPI-AL and CPI-RL base revision, 18 July 2025	public address
Labour Bureau, Index Review Committee report, September 2026	public address
Labour Bureau, rural wage table, July 2013 to August 2026, queried 20 October 2026	public address
Labour Bureau, CPI-AL and CPI-RL press release for August 2026, 18 September 2026	public address
Labour Bureau, CPI-AL and CPI-RL press release for September 2026, 19 October 2026	public address
RBI, Database on Indian Economy, CPI-AL and CPI-RL indices, fetched 11 October 2026	public address
MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026	public address
The Wire, article by M K Venu on the Systematix note, 24 June 2026	public address
Office of Shri Ajay Maken, calculations of 20 October 2026	this brief

The analysis is this brief's own, and so is any error in it.

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; Labour Bureau, Index Review Committee report, September 2026; MoSPI, PLFS 2025 unit-level data, catalogue 284, 2026; RBI, Database on Indian Economy, CPI-AL and CPI-RL indices, fetched 11 October 2026.