

# Loss of Work, Income & Worker Base: MGNREGA in Telangana – FY 2025–26

LibTech India

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# About LibTech

*We are a team of engineers, social workers, and social scientists who are interested in improving public service delivery in India. We have been working as a team in multiple states of the country, including Telangana, for more than 10 years - though individually, some of us have been involved for even longer.*

*Over the years, we have been consistently releasing reports on the implementation of MGNREGA<sup>1</sup> in Telangana, along with a few reports at the national level and for other states as well. Some of our reports have been quoted, and our policy recommendations have been engaged with and, in some cases, acted upon by state governments and the Ministry of Rural Development (MoRD), reflecting the impact of our work on shaping conversations around welfare governance.*

## About This Report

*This report is situated in the context of a major policy transition. The Mahatma Gandhi National Rural Employment Guarantee Act was repealed in December 2025, and a new framework Viksit Bharat—Guarantee for Rozgar and Aajeevika Mission (Gramin)(VB-GRAMG) is being rolled out. As a result, the period from January to March 2026 represents a transition phase, and trends during these months need to be interpreted with care..*

*At present, there is considerable uncertainty around how this transition will unfold on the ground. The Government of India has made an interim allocation of around Rs.30000 crore at the national level for this period, but clarity on the design and implementation of the new framework remains limited. At the same time, the Telangana state government has indicated that the shift is expected to strengthen employment provision.*

*Against this backdrop, this report analyses the implementation of MGNREGA in Telangana during FY 2025–26, with reference to data from the previous financial year, 2024–25. For 2024–25, the analysis relies on data from LibTech India's previously published report, allowing for consistent year-on-year comparison with 2025–26 trends. The data, sourced from <https://nrega.nic.in/> as of 7th April 2026, provides insights into the status of the programme in the state. We also draw on national-level trends to contextualise Telangana's performance. The objective is to inform citizens and stakeholders about key trends and developments during this critical period.*

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<sup>1</sup> MGNREGA (MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT)

# 1. Key Findings

- **Participation declined sharply:** A significant 17.4% and 20.3% decline in households and workers employed while households registered recorded a slight decline of 1.6% (Section -2.2)
- **A dramatic 40.6% drop in employment generation:** Persondays declined from 1222.11 lakh to 726.08 lakh-which is nearly double the national drop of 20.6% (Section - 2.3)
- **28.1% decline in Average Persondays:** A significant drop from 45.80 to 32.93 average persondays. Also the state's average persondays is only 32.93 while the national average is 43.18, indicating a notable deviation from the national trend (Section -2.3)
- **An Abysmal 75.3% drop in 100-days completed households:** Households completing 100 days fell from 0.93 lakhs to 0.23 lakhs, a 75.3% drop. This resulted in only 1% of households completing 100 days in FY 2025-26 as opposed to 3.5% in FY 2024-25 (Section - 2.3)
- **Significant dip of persondays across the first three quarters:** Quarter 1(Q1) saw a drastic 48.8% drop which then continued in Quarter 2(Q2) with 27.9% and Quarter 3(Q3) with 20.4% drop. However, the Quarter 4(Q4) recorded a slight increase of 2.1%, it could not recover the loss occurred in Q1, Q2 and Q3 (Section -2.4)
- **A loss of 496.03 lakh persondays:** MGNREGA's crucial Q1 period recorded a loss of 477.26 lakh persondays while Q2 & Q3 recorded a loss of 16.61 and 5.45 lakh persondays when compared with FY 2024-25. Q4 recorded a slight gain with 3.29 lakh persondays (Section -2.4)
- **Decline across all districts:** Every district saw decline in persondays with 28 out of 32 districts recording a drop between 30% to 57% when compared with FY 2024-25 (Section-3)
- **Shrinking worker base:** Net deletion of 0.83 lakh Jobcards and 4.02 lakh workers in contrast to the national level trend where additions exceeded deletions (Section - 4)
- **₹674.26 crores are at loss:** Due to drop in overall employment, total wages earned by workers dropped from ₹2607.01 crores in FY 2024-25 to ₹1932.75 crores in FY 2025-26; a loss of ₹674.26 crores (Section - 5.1)
- **Income fell despite wage increase:** Average household income dropped from ₹9,770 in FY 2024-25 to ₹8,766 in FY 2025-26, a loss of ₹1,004, despite an increase in average wage earned per day from ₹213.32 to ₹266.19 in FY 2025-26 (Section - 5.2)

- **38% loss to SC & ST workers in total wages earned:** SC & ST workers in the state earned only ₹1102.14 crores in FY 2024-25 when compared to ₹846.21 crores in FY 2025-26, a loss of ₹255.93 crores which is 38% out of total loss of ₹674.26 crores (Section - 5.3 )

## 2. Employment at State Level

### 2.1 Trends in MGNREGA Employment Telangana in National Context

As a demand-driven employment program, MGNREGA is intended to respond to the needs of workers seeking wage employment. However, in recent years, the Union government's tight control over budget allocations - combined with uneven political will and administrative capacity across states - has significantly influenced the program's implementation. These constraints directly affect how effectively MGNREGA operates on the ground.

Technological requirements were tightened during FY 2025-26. These included eKYC processes, the use of digital attendance systems such as NMMS, and changes in implementation protocols, including facial recognition and app-level modifications. While this report does not attempt to isolate the impact of these factors, they form an important part of the broader implementation context

The VB-GRAM G Act, passed in December 2025, seeks to replace MGNREGA from April 2026, with January–March 2026 serving as a transition phase. This shift may have caused disruptions in programme performance, alongside administrative, policy, and technological changes. For instance, restrictions were imposed on the number of ongoing and new works that can be taken up within a Gram Panchayat. Therefore, examining employment trends in the final quarter of FY 2025–26, in comparison with FY 2024-25, is essential. The following section analyzes key employment indicators in Telangana and assesses trends during the transition to the new VB-GRAM G framework.

### 2.2 Household and Worker Trends Under MGNREGA

- *20.3% & 17.4% significant drop in workers and households employed in FY 2025-26.*

While the households registered in MGNREGA recorded a slight decline of 1.6%, households and workers employed recorded a significant 17.4% and 20.3% decline, indicating a contraction in employment in the state during FY 2025-26, Whereas national level trends show that households registered increased by 3.6% and households and workers employed took a notable dip of 7.7% and 8.7%. In other words, Telangana witnessed consistent decline across key MGNREGA indicators and this decline is significantly higher when compared with national level trends as illustrated in Table 1.

	FY 2024-25	FY 2025-26	Change (%) <sup>2</sup> in the State	Change (%) in the Country
Households Registered (in Lakhs)	53.08	52.21	-1.6	3.6
Households worked (in Lakhs)	26.68	22.05	-17.4	-7.7
Workers employed (in Lakhs)	42.44	33.83	-20.3	-8.7

**Table 1:** Households and worker trends for FY 2024-25 and FY 2025-26.

## 2.3 Persondays Generated: FY 2024–25 Vs FY 2025–26

- A 40.6% sharp decline in persondays, Households completed 100 days and Average persondays too followed the trend with 75.3% & 28.1% drop.

In FY 2025-26, Telangana witnessed a sharp decline in all the key employment indicators under MGNREGA compared to its previous year and this contraction is significantly higher than national level trends.

	FY 2024-25	FY 2025-26	Change (%) in the State	Change (%) in the Country
Households <sup>3</sup> worked (in Lakhs)	26.68	22.05	-17.4	-7.7
Persondays <sup>4</sup> Generated (in Lakhs)	1222.11	726.08	-40.6	-20.6
Average persondays <sup>5</sup>	45.80	32.93	-28.1	-14.0
Households completed 100 days of employment (in Lakhs)	0.93	0.23	-75.3	-42.5
Percentage of households completed 100 days of employment <sup>6</sup>	3.5	1.0	-	-

**Table 2:** Employment for FY 2024-25 and FY 2025-26 in Telangana.

This decline is reflected in the total persondays generated, which fell steeply by 40.6% in Telangana - from 1222.11 lakh to 726.08 lakh - nearly double the national decline of 20.6%. The average persondays per household in the state also reduced considerably by 28.1%, compared to a 14% drop nationally. indicating a substantial reduction in the duration of employment provided per household.

<sup>2</sup>  $[(FY\ 2025-26 - FY\ 2024-25) / FY\ 2024-25] \times 100]$

<sup>3</sup> Jobcards and households are used interchangeably in this report

<sup>4</sup> Number of work days completed under MGNREGS by the Job card holders

<sup>5</sup> (Persondays Generated / Unique Households worked)

<sup>6</sup> (Households completed 100 days of employment / Unique Households worked)\*100

It is important to observe that the national average persondays is 43.18 while the state's average is only 32.93 in FY 2025-26, indicating a sharp deviation from the national trend. This indicates a weakening performance of MGNREGA in the state.

The most significant concern is the drastic 75.3% decline in the number of households completing 100 days of employment, which dropped from 0.93 lakh to 0.23 lakh - far exceeding the national decline of 42.5%. Consequently, the proportion of households completing 100 days of employment in the state fell sharply from 3.5% to 1%.

These trends highlight a pronounced contraction in both employment generation and work intensity in Telangana during FY 2025-26, with declines consistently steeper than the national averages. Refer to Annexure 1 for national level statistics.

## 2.4 Quarterly Trends in NREGA Persondays

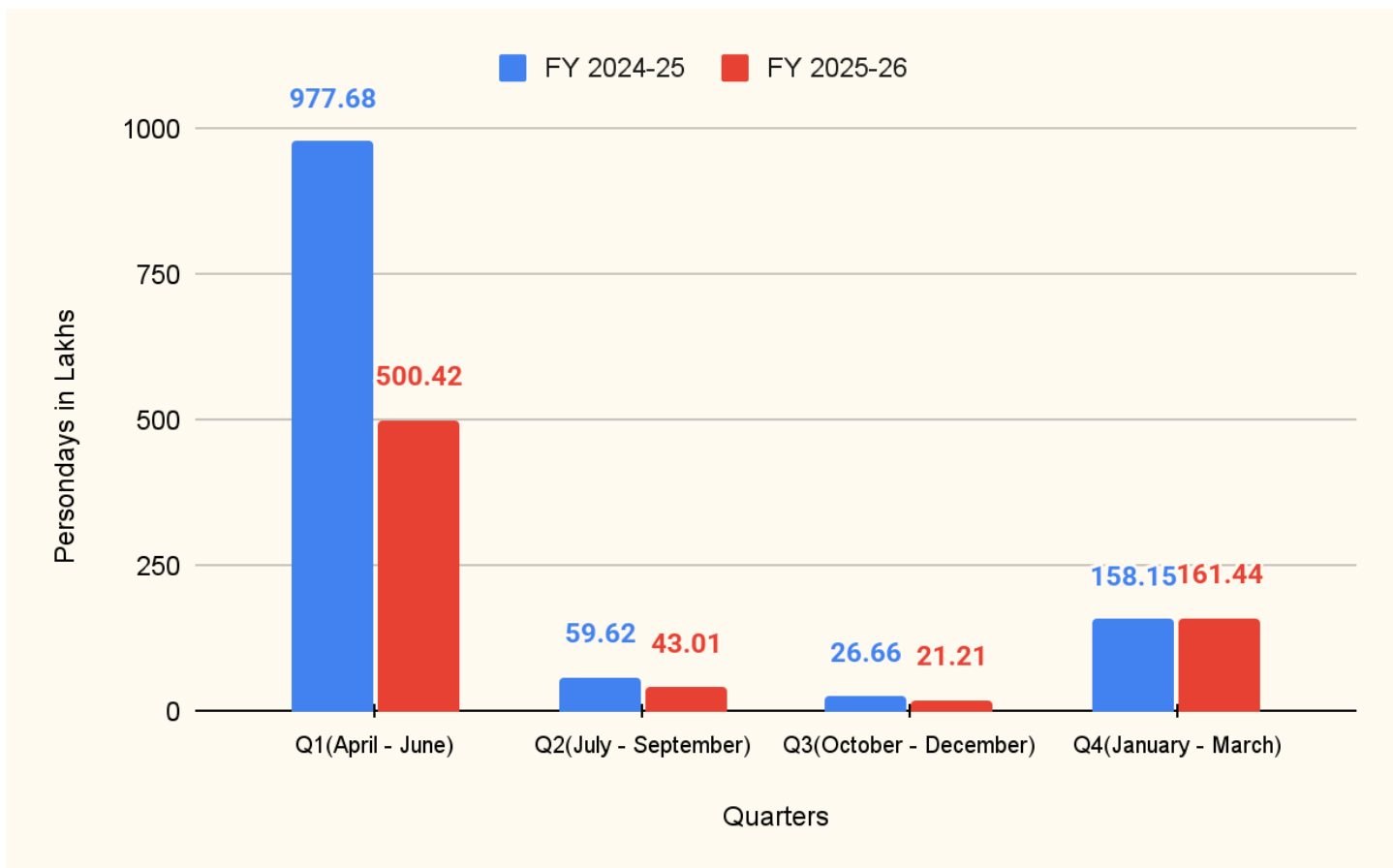
- *Q1 recorded a loss of 477.26 lakh persondays during the most crucial period of the year. The loss continued in Q2 and Q3 in different proportions. The marginal improvement, however, could not recover the overall loss.*

Quarter(Q) wise analysis of persondays in Telangana during FY 2025-26 reveals a consistent and significant decline across Q1, Q2 and Q3, with a slight recovery in the Q4 when compared to FY 2024-25. However, there is a clear variation in the proportional and absolute loss of employment in the first three quarters.

Every year, Q1(April-June) is crucial for MGNREGA as a significant amount of employment gets generated during this period. However, the Q1 of FY 2025-26 recorded a sharp decline of 48.8% in persondays which represents a loss of 477.26 lakh persondays, highlighting the substantial loss of employment base of the year. This represents the highest proportional and absolute loss of persondays during FY 2025-26 when compared with other quarters.

Although the Q2(July-September) generally witnesses a seasonal dip every year in employment generation, FY 2025-26 recorded 16.61 lakh persondays lower than last year which amounts to a 27.9% drop. However, the severity in employment loss has come down when compared with the Q1.

The Q3(October-December) represents the lowest drop in both proportional as well as absolute loss of persondays in FY 2025-26. The percentage of persondays drop is 20.4% which represents 5.45 lakh persondays. However, the Q4 reversed the trend by recording a marginal increase of 2.1% that represents the gain of 3.29 lakh persondays. Although this is a positive stride, it could not recover the loss occurred during Q1, Q2 and Q3 of FY 2025-26.



**Figure 1:** Month-wise comparison of persondays generated in FY 2024-25 and FY 2025-26

Overall, the state lost 496.03 lakh persondays in FY 2025-26. This indicates a persistent shortfall in employment generation across the year with a severe disruption observed during the Q1 of the year.

### 3. Employment at District Level

- 28 out of 32 districts recorded a drop between 30% to 57% in persondays in FY 2025-26

In FY 2025-26, all 32 districts in Telangana recorded a decline in MGNREGA persondays compared to the previous year, indicating a widespread contraction in employment generation across the state. 28 out of 32 districts recorded a persondays drop between 30% to 57%. This indicates a high severity of contraction in employment across all the districts. Although Medchal generated negligible number of persondays in both the years, it recorded an abysmal 94.1% decline in persondays in FY 2025-26, For more details on district wise data on persondays, refer to Annexure 2.

The universal decline across all districts suggests that the reduction in employment is not driven by localized factors alone, but reflects broader changes affecting programme implementation across the state. At the same time, variation in the magnitude of decline across districts indicates uneven intensity of impact, pointing to differences in how these broader changes are playing out at the local

level. The absence of any district-level exception for improved scenarios further strengthens the conclusion that the decline is systemic rather than localized.

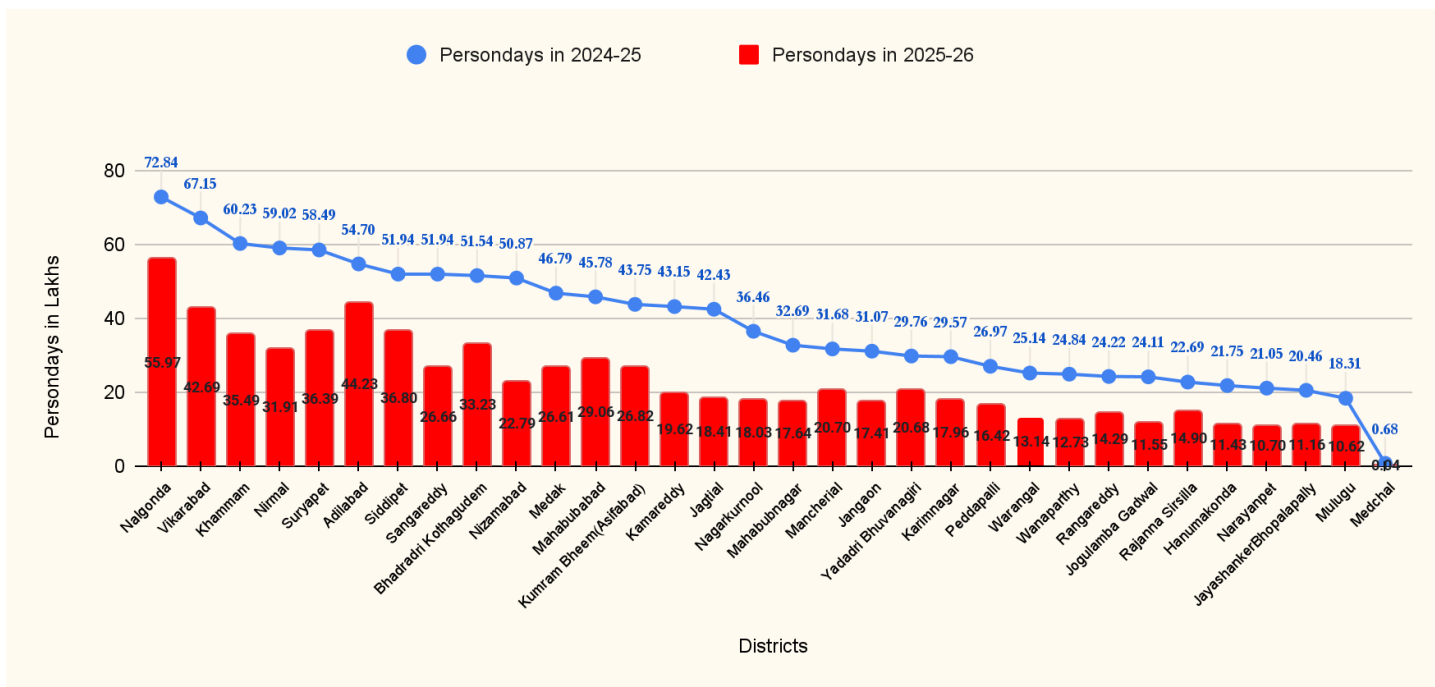


Figure 2: District-wise persondays comparison for FY 2024-25 and FY 2025-26

## 4. Net Deletions of workers

- A net deletion of 4.02 lakh workers & 0.83 lakh Jobcards were recorded while the country witnessed a net addition of 23.72 lakh workers & 46.97 lakh Jobcards

Additions and deletions of workers is a key indicator to understand how the participation in MGNREGA is evolving over time. In FY 2025-26, the state recorded a net deletion of both Jobcards and workers as deletions exceeded additions. While 1.26 lakh Jobcards were deleted, only 0.43 were added leading to a net deletion of 0.83 lakh Jobcards. Also while 5.45 workers were deleted, only 1.43 were added to the workforce leading to a net deletion of 4.02 lakh works. This reflects a significant shrinking of the workforce under MGNREGA in the state.

More importantly, this declining trend contrasts with the national level trend, where additions exceeded deletions both in terms of Jobcards and workers. As a result, net Jobcards of 46.97 lakh and 23.72 lakh workers were added to the workforce. The divergence suggests that while the workforce expanded at the national level, Telangana experienced a reduction in workforce.

	Jobcards Deleted (Lakhs)	Jobcards Added (Lakhs)	Net Jobcard Deletions <sup>7</sup> (Lakhs)	Workers Deleted (Lakhs)	Workers Added (Lakhs)	Net Worker Deletions <sup>8</sup> (Lakhs)
Telangana	1.26	0.43	-0.83	5.45	1.43	-4.02
India	46.84	93.81	46.97	134.17	157.89	23.72

**Table 3:** Net Jobcard and worker deletions for FY 2025-26 : Telangana vs India

## 5. Wage Expenditure Trends

### 5.1 Wage Expenditure Trends under MGNREGA

- *Workers lost ₹674.26 crore despite higher notified wage rate.*

Wage expenditure is a central indicator of MGNREGA's performance, as it reflects both the scale of employment generated and the flow of income to rural households. Changes in wage expenditure are determined by two key factors: the notified wage rate and the total persondays of work generated.

	Notified wage rate	Wage expenditure <sup>9</sup> (in Crores)
FY 2024-25	300	2607.01
FY 2025-26	307	1932.75
Fall in Wage Expenditure <sup>10</sup>	-	674.26

**Table 4:** Wage Expenditure Trends under MGNREGA

In Telangana, wage expenditure declined significantly in FY 2025–26 despite an increase in notified wage rates. The notified wage rate was revised upward from ₹300 in FY 2024–25 to ₹307 in FY 2025–26. Under normal circumstances, such an increase would be expected to push total wage expenditure upward. However, actual wage expenditure fell from ₹2,607.01 crore in FY 2024–25 to ₹1,932.75 crore in FY 2025–26; a sharp decline of ₹674.26 crore.

<sup>7</sup> Added Jobcards - Deleted Jobcards

<sup>8</sup> Added Workers - Deleted Workers

<sup>9</sup> Total Persondays \* Wage earned

<sup>10</sup> (Wage expenditure in FY 2024-25) - (Wage expenditure in FY 2025-26)

This trend indicates that although higher wages were notified in FY 2025-26, a significant reduction in persondays generated reduced the total earnings for workers at the aggregate level.

## 5.2 Drop in Household Incomes Despite Higher Wages

- *Household income declined despite higher wages: Fewer workdays outweighed gains from increased average wage earned per day.*

Household income under MGNREGA is determined by two key factors: the 'average wage earned'<sup>11</sup> and the average number of persondays of employment generated per household. In FY 2025-26, these two factors moved in opposite directions.

The 'notified wage rate'<sup>12</sup> increased from ₹300 in FY 2024-25 to ₹307 in FY 2025-26, while the average wage earned rose sharply from ₹213.32 to ₹266.19—an increase of nearly 25%. Under normal circumstances, this would be expected to significantly increase household income.

However, this gain was offset by a steep decline in employment. The average number of persondays per household fell from 45.80 to 32.93 days, representing a reduction of about 28%. As a result, average household income from MGNREGA declined from ₹9,770 in FY 2024-25 to ₹8,766 in FY 2025-26, a loss of ₹1,004.

	Notified wage rate	Average Wage earned (Rs)	Average Persondays <sup>13</sup>	MGNREGA Household Income (Rs) <sup>14</sup>
FY 2024-25	300	213.32	45.80	9770
FY 2025-26	307	266.19	32.93	8766
FY 2025-26 (Assuming FY 2024-25 level of persondays)	307	266.19	45.80 <sup>15</sup>	12192

**Table 5 :** Comparison of MGNREGA Wages and Household Income for FY 2024-25 and 2025-26.

Note: Household income = Wage earned × Average persondays per household.

A counterfactual scenario helps illustrate the magnitude of this loss. If the average persondays per household had remained at the previous year's level (around 45.80 days), the higher average wage

<sup>11</sup> Average amount earned by a worker for one day of unskilled manual work

<sup>12</sup> Under Section 6(1) of MGNREGA 2005, it is the revised Wage rate as announced by the Union government for unskilled work to compensate for inflation.

<sup>13</sup> Persondays Generated / Unique Households worked

<sup>14</sup> MGNREGA Household Income = Average wage earned \* Average Persondays.

<sup>15</sup> Difference between estimated wage income (if FY 2024-25 level of persondays were maintained) and actual wage income in FY 2025-26.

earned would have resulted in an average household income of ₹12,192. This implies that the decline in employment led to a loss of ₹3,426 per household on average.

At the aggregate level, a similar pattern is observed. If the same level of employment had been maintained as in FY 2024–25, total wage expenditure in FY 2025–26 would have been ₹3253.13<sup>16</sup> Crore (around 41% more than the actual earnings), indicating a significant shortfall due to reduced employment.

Taken together, these findings highlight a consistent pattern: reductions in employment availability have a far greater impact on worker earnings than increases in wage rates.

## 5.3 Vulnerable Group Wage Income in FY 2025–26

- Around 38% of the actual total earnings loss was borne by SC and ST workers

	FY 2024-25	FY 2025-26	Change <sup>17</sup>
SC wage income (Crores) <sup>18</sup>	550.85	400.05	150.80
ST wage income (Crores) <sup>19</sup>	551.29	446.16	105.13
<b>Total</b>	<b>1102.14</b>	<b>846.21</b>	<b>255.93</b>

**Table 6 :** Estimated Decline in Wage Income for SC and ST Workers due to Reduction in Persondays (FY 2025–26)

This section discusses the loss of actual earnings at aggregate level borne by SC and ST workers in the state. As discussed in section 5.1, the actual earnings loss is ₹674.26 crore in FY 2025-26 due to reduced employment when compared with its previous year. It is important to note that SC and ST workers alone in the state had to bear nearly 38% of this loss. In other words, SC and ST workers faced an income loss of ₹255.93 crore as illustrated in Table 6

## 6. Conclusion

The analysis in the report reveals a significant contraction of MGNREGA's implementation in FY 2025-26 in the state when compared with its previous year. Almost all the key employment indicators recorded a significant drop with some of them such as persondays generated and average person days per household falling well behind the national level trends. When considering all key

<sup>16</sup> Persondays generated in FY 2024-25 \* Average wage earned in FY 2025-26

<sup>17</sup> Difference between actual wage incomes in FY 2024-25 and FY 2025-26

<sup>18</sup> SC persondays \* wage earned

<sup>19</sup> ST persondays \* wage earned

employment indicators, this year's MGNREGA's performance has been the lowest since 2020-21, departing from being relatively a strong performer.

District level trends of employment reveals that the loss occurred across the districts with the majority of the districts recording a significant drop in employment. This indicates that the employment drop was consistent across the state.

The temporal patterns reveals a consistent persondays loss across the first three quarters with the first quarter facing a severe drop in employment. Although the last quarter improved slightly, it could not compensate for the employment loss in the first three quarters. However, a positive marginal increase in the last quarter is significant when viewed against the transition period of MGNREGA to VB-G RAM G.

Telangana's shrinking workforce was evident when deletions exceeded additions in the state as against the national level trend. This shrinking base of the workforce suggests that the decline in employment is not only due to reduced work availability but also a decline in workforce participation.

Due to low employment generated in terms of persondays and average persondays per household, the total wage earnings as well as average household earnings significantly dropped despite an increase in average received per day. More importantly, SC and ST workers borne the loss of nearly 40% of the total wage earnings loss in the state.

Taken together, the simultaneous decline in employment generation, workforce participation, and wage earnings points to a systemic weakening of the programme during FY 2025–26. These trends should be viewed in the context of broader administrative, technological, and policy changes, including the transition following the repeal of MGNREGA. Ensuring adequate and consistent availability of work will be critical to sustaining its role as a source of income security, particularly for vulnerable rural households during this period of transition.

Team Behind This Report:

Chakradhar Buddha | Gayatri Saranya

# Annexure 1

	FY 2024-25	FY 2025-26
Households worked (in Lakhs)	578.42	533.73
Persondays Generated (in Lakhs)	29042.00	23048.17
Average persondays	50.21	43.18
Households completed 100 days of employment (in Lakhs)	40.67	23.40
Percentage of households completed 100 days of employment	7.0	4.4

# Annexure 2

Districts	Persondays in 2024-25 (Lakhs)	Persondays in 2025-26 (Lakhs)	Change(%)
Medchal	0.68	0.04	-94.10
Jagtial	42.43	18.41	-56.60
Nizamabad	50.87	22.79	-55.20
Kamareddy	43.15	19.62	-54.50
Jogulamba Gadwal	24.11	11.55	-52.10
Nagarkurnool	36.46	18.03	-50.50
Narayanpet	21.05	10.70	-49.20
Wanaparthy	24.84	12.73	-48.80
Sangareddy	51.94	26.66	-48.70
Warangal	25.14	13.14	-47.70
Hanumakonda	21.75	11.43	-47.40
Mahabubnagar	32.69	17.64	-46.00
Nirmal	59.02	31.91	-45.90
Jayashanker Bhopalapally	20.46	11.16	-45.50

Jangaon	31.07	17.41	-44.00
Medak	46.79	26.61	-43.10
Mulugu	18.31	10.62	-42.00
Khammam	60.23	35.49	-41.10
Rangareddy	24.22	14.29	-41.00
Karimnagar	29.57	17.96	-39.30
Peddapalli	26.97	16.42	-39.10
Kumram Bheem(Asifabad)	43.75	26.82	-38.70
Suryapet	58.49	36.39	-37.80
Mahabubabad	45.78	29.06	-36.50
Vikarabad	67.15	42.69	-36.40
Bhadradi Kothagudem	51.54	33.23	-35.50
Mancherial	31.68	20.70	-34.70
Rajanna Sirsilla	22.69	14.90	-34.30
Yadadri Bhuvanagiri	29.76	20.68	-30.50
Siddipet	51.94	36.80	-29.10
Nalgonda	72.84	55.97	-23.20
Adilabad	54.7	44.23	-19.10