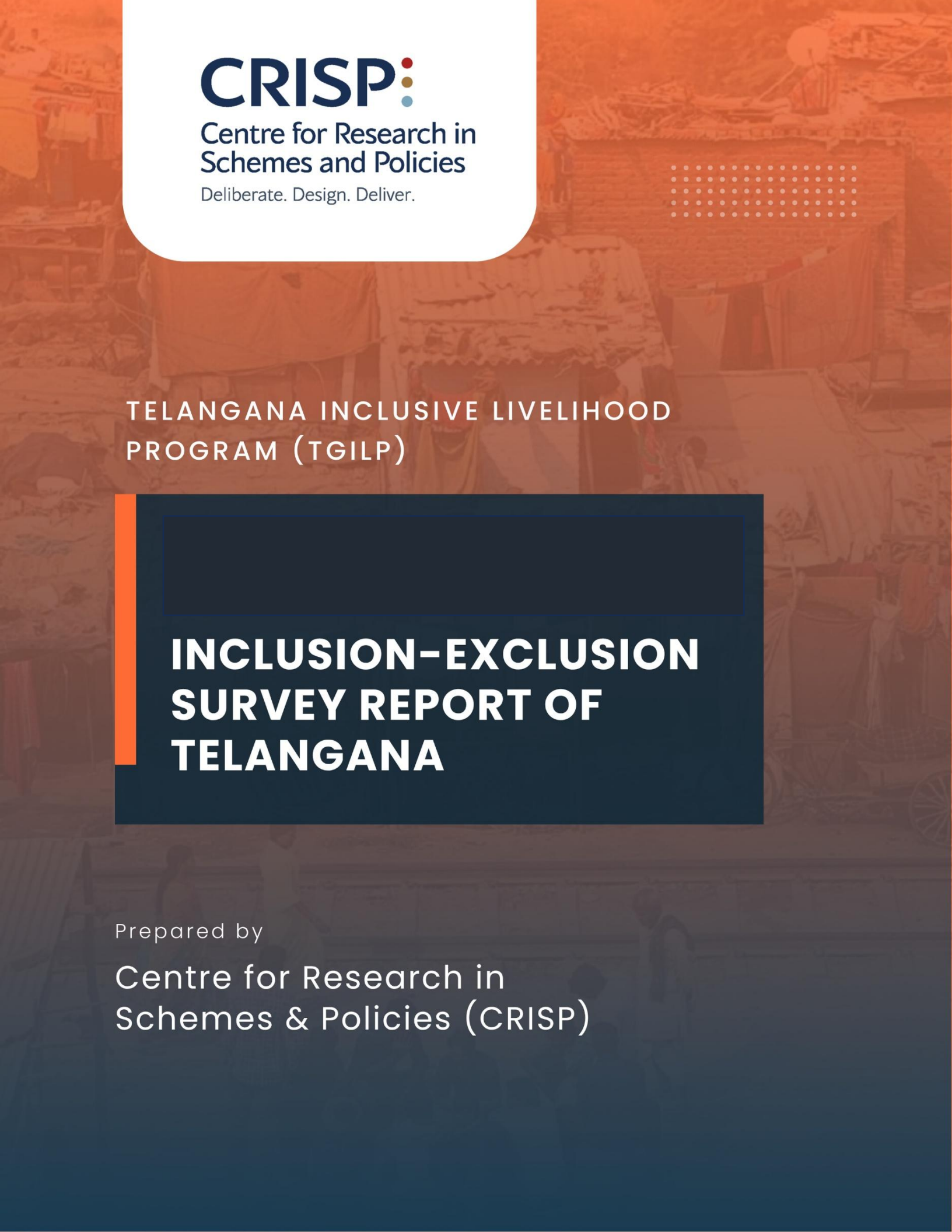


The logo for CRISP (Centre for Research in Schemes and Policies) features the word "CRISP" in a bold, dark blue sans-serif font. To the right of the text is a vertical bar composed of four colored dots: red, orange, yellow, and blue.

CRISP:

**Centre for Research in
Schemes and Policies**

Deliberate. Design. Deliver.



**TELANGANA INCLUSIVE LIVELIHOOD
PROGRAM (TGILP)**

A large, dark blue rectangular box with a vertical orange bar on its left side. Inside the box, the title "INCLUSION-EXCLUSION SURVEY REPORT OF TELANGANA" is written in white, bold, sans-serif capital letters.

**INCLUSION-EXCLUSION
SURVEY REPORT OF
TELANGANA**

Prepared by

**Centre for Research in
Schemes & Policies (CRISP)**

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Executive Summary

The Telangana Inclusive Livelihood Program (TGILP) conducted Inclusion-Exclusion Surveys from September 13-29, 2025, across 30 villages in eight blocks to assess the accuracy of Phase I identification of Poorest of the Poor (PoP) households and verify the characteristics of this extremely vulnerable population. Using a Probability Proportional to Size (PPS) sampling methodology, the survey examined 431 households to evaluate both inclusion and exclusion criteria, assess access to government services, and document the multidimensional poverty experienced by the target population.

The survey reveals a population marked by severe and intersecting vulnerabilities. Female-headed households constitute 61% of the sample, with Scheduled Tribe communities representing 58%, underscoring the concentration of extreme poverty among historically marginalised groups. Housing conditions reflect acute material deprivation, with 81% of households residing in temporary kutcha structures. Critical vulnerability indicators demonstrate the depth of deprivation facing PoP households. Severe food insecurity affects 60% of households, with families experiencing five to six months annually without adequate food. An overwhelming 95% of households depend primarily on wage labour as their income source, representing significant vulnerability given the irregular and poorly remunerated nature of rural wage employment.

Asset poverty is nearly universal, with less than 5% owning productive assets such as irrigated land exceeding 2.5 acres, motorised vehicles, or mechanised agricultural equipment. Health vulnerabilities compound economic challenges, with 10% of households having differently-abled members or lacking able-bodied adults, and 6% dealing with terminal illnesses.

Access to government services presents a mixed picture. While Aadhaar card coverage is nearly universal at 98% and bank account ownership reaches 94%, significant gaps remain in critical entitlements. Food security card coverage stands at 91%, leaving 9% of households without access to this essential benefit. MGNREGS card coverage was found to be 84%, while 16% of households lacked access to guaranteed wage employment opportunities. Pension coverage appears relatively strong at 92% among eligible households, yet the remaining 8% face administrative barriers related to Aadhaar name discrepancies and government processing delays that prevent access to crucial income support.

Self-Help Group participation shows moderate engagement at 66%, with 34% of households were not engaging with these systems.

Exclusion Errors: Despite the saturation approach of the program, Household surveys were able to identify **9.2% exclusion errors** (40 households wrongly excluded). It is therefore proposed, that the members who have been excluded, should be tracked and appeal mechanism should be set up and monitored closely so that these households in addition to others who have been excluded can be brought into the fold of the program.

Inclusion Errors: 4.8% inclusion errors (18 households incorrectly included) were identified in the sample, thus it is proposed that CLF be trained on the exclusion criteria.

- 1) **To strengthen the Exclusion errors**, a functional appeal mechanism should be ensured at the Village Organisation (VO) and Mandal Mahila Samakhya (MMS) levels to allow excluded households to present their cases.
 - The orientation of MMSs should be strengthened to ensure appropriate inclusion of all eligible community members, and clear records of excluded households must be maintained.
 - Further MMS verification should be extended to these excluded households in addition to the existing guidelines for inclusion during household verification.
 - Clear documentation guidelines for excluded households should also be developed to facilitate verification at the CLF stage.
 - Household verification should be strengthened with a dedicated outreach strategy for the 25% of households that were not consulted during Phase I, ensuring universal contact in future phases.
- 2) **To address inclusion errors**, stricter verification protocols for exclusion criteria must be implemented at the CLF verification level, particularly regarding ownership of motorised vehicles or agricultural equipment, pucca housing with three or more rooms, irrigated landholdings exceeding 2.5 acres with irrigation equipment, and regular salaried employment with monthly incomes above ₹10,000.
 - Cross-verification of these exclusion indicators with government databases—such as vehicle registration, land records, and employment records—should be conducted where feasible.
- 3) **To improve data quality and verification**, both male and female household members should be present during verification visits to ensure complete and accurate information collection.

- The existing data triangulation approach using SECC 2011 data, PRA findings, and household survey results should be maintained and updated with more recent data sources when available.
 - Additionally, the role of Community Resource Persons (CRPs) should be strengthened through additional training focused on identification criteria, inclusion and exclusion indicators, and effective household visits.
- 4) **To strengthen community consultation and participation**, household visits should be mandated to ensure that all households identified under the program are visited as part of the verification process. Communication strategies should be developed to inform all household members about the identification process, their inclusion status, and programme entitlements.
- Transparency should be ensured by publicly displaying preliminary and final household lists along with clear timelines for appeals, establishing an effective grievance redressal mechanism.
- 5) **For programme implementation and monitoring**, comprehensive training should be provided to CRPs, VO members, and Society for Elimination of Rural Poverty (SERP) staff on identification criteria, verification protocols, and sensitive engagement with vulnerable populations.
- These trainings should be adapted to incorporate lessons learned from Identification Phase I to enhance effectiveness and consistency in future implementation.

Abbreviations

CRISP	Centre for Research in Schemes and Policies
CRP	Community Resource Persons
DRDO	District Rural Development Officer
GST	Goods and Services Tax
HH	Household
ICDS	Integrated Child Development Services
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MMS	Mandal Mahila Samakhya
NRLM	National Rural Livelihoods Mission
OBC	Other Backwards Classes
PDS	Public Distribution System
PoP	Poorest of the Poor
PPS	Probability Proportional to Size
PRA	Participatory Rural Appraisal
PVTG	Particularly Vulnerable Tribal Groups
SC	Scheduled Castes
SECC	Socio-Economic Caste Census
SERP	Society for Elimination of Rural Poverty
SHG	Self-Help Group
SPMU	State Project Management Unit
ST	Scheduled Tribes
TGILP	Telangana Inclusive Livelihood Program
VO	Village Organisation

Introduction

The Telangana Inclusive Livelihood Program (TGILP) conducted a comprehensive PRA process across 70 villages spread out in eight blocks during May and June for the identification of the program participants for the Inclusive Livelihoods Program in Telangana. The process consisted of 6 steps, including VO orientation meeting, Transect walks, Social mapping and vulnerability assessment, household survey, VO endorsement and wealth ranking, followed by verification by MMS and finalisation of beneficiaries.

As the PRA is conducted within a short timeline and with varying understanding of various concepts, in addition to several other contextual factors, there is a likelihood of some members being left out of the process and also a few members being included due to influence and power. To assess for such errors, CRISP conducted Inclusion-Exclusion surveys from September 13th to 29th, 2025, to identify such errors in the identification process. This survey was undertaken as part of data quality assurance and verification mechanisms to ensure that the most vulnerable and economically disadvantaged households are accurately identified for targeted livelihood interventions.

Methodology

Study Design and Setting

The survey followed a cross-sectional descriptive design, aimed at assessing key parameters across inclusion and exclusion for selected villages within multiple blocks. The study was conducted across eight blocks of Amrabad, Kannaigudem, Kodangal, Lingapur, Narva, Padara, Tadvai, and Tiryani in Telangana, representing diverse socio-economic and geographic conditions.

The inclusion and exclusion indicators considered during the survey were mapped and aligned to the SPMU guidelines. The inclusion indicators included households belonging to Particularly Vulnerable Tribal Groups (PVTGs), Joginis, women-headed households (such as widows, separated, abandoned, divorced, or victims of domestic violence), landless families without a regular income source, severely food-insecure households, families without a house, households with differently-abled members or without able-bodied adults, households living in kuccha structures with one or fewer rooms, transgender individuals, and households with members suffering from terminal illnesses such as cancer, kidney disease, or tuberculosis.

Exclusion indicators comprised households with government-employed members, ownership of motorized 3- or 4-wheelers or mechanized agricultural equipment, possession of more than 2.5 acres of irrigated land with irrigation equipment, ownership of a Kisan Credit Card with a

limit exceeding ₹50,000, any member earning above ₹10,000 per month as a salaried employee, having three or more rooms with pucca walls and roof, or operating registered non-agricultural enterprises paying Goods and Service Tax (GST).

Sampling Design:

Inclusion Survey - Block Selection and Allocation of Households

For the Inclusion Survey, Probability Proportional to Size (PPS) sampling technique was used to determine the number of households to be selected from each block from the final Inclusion list shared by SPMU. The total number of households to be covered from each block was proportionate to the number of households identified in each block. This ensured that blocks with larger numbers of households contributed more to the total sample size. The PPS process resulted in a total of 341 households being selected across eight blocks. A buffer of <5% on total PPS is also calculated to ensure potential replacements.

Block	No. of Villages	No. of HHs (PPS)
Amrabad	9	46
Kannaigudem	9	42
Kodangal	7	48
Lingapur	9	34
Narva	4	32
Padara	6	56
Tadvai	10	46
Tiryani	16	37
		341
Buffer Sample <5%		15
Total		356

Table 1: Inclusion survey block selection

Selection of Villages and Distribution of Households

The villages within each block were selected purposively based on operational feasibility and accessibility. The number of villages chosen from each block ranged from three to five. The number of households allocated through PPS was then distributed equally among the selected villages.

Blocks	Programme Implementation Villages	HH as per PPS	Villages surveyed	Village Name	Number of HH
Amrabad	9	46	3		
				Kothapally	15
				Sarlapalli	15
				Vanguroni palli	16
Kannaigudem	9	42	4		
				Gangugudem	10
				Venkatraopalli	10
				Sarvai	10
				Gutta Gangaram	12
Kodangal	7	48	5		
				Aled	9
				Nagaram	10
				Rudraram	9
				Parsapoor	10
				Annaram	10
Lingapur	9	34	3		

				Guothamguda	10
				Lendiguda	12
				Bijuriguda	12
Narva	4	32	3		
				Kalwala	11
				Patherched	11
				Raikode	10
Padara	6	56	5		
				Petralanchenu	11
				PRASANT NAGAR COLOLY	11
				Palerutu penta	11
				Maddimadugu	11
				Bapanadu	12
Tadvai	10	46	4		
				Ankampalli	12
				Kannepally	11
				Dameravai	11
				Bhupatipur	12
Tiryani	16	37	3		
				Moinda Kolamguda	12
				Ammenguda	12

				Gourguda	13
	70	341	30		341
Buffer Sample <5%					15
Total					356

Table 2: Village wise sample coverage

Sampling for Exclusion surveys:

For the sampling of the exclusion survey, the list was generated from various levels including:

a) All participants rejected at the HH Level (n = 14)

b) MMS reject (n = 20) households

c) 20% of the VO reject list + buffer (n = 28 +13)

A list of 136 rejected HH was shared at the VO endorsement level by the SPMU. To ensure broader representation, a 20% coverage was taken instead of the initially planned 10%. In addition, the team surveyed **13 households** as a buffer. In total, the exclusion survey was conducted across **75 households**.

		HH Reject	MMS Reject	VO Reject	20% of VO reject
Padara	Petralanchenu		9		
	Prasanti Nagar Colony		3		
	Maddimadugu		1		
Kanniagudem	Venkatraopalli			4	4
	Sarvai		1		
	Gutta Gangaram		5		
Kodangal	Aled	5		25	5

	Nagaram	0		18	5
	Rudraram	6		60	8
	Parsapoor	3		6	1
	Annaram		1	23	5
	Total	14	20	136	28

Table 3: Exclusion surveys sampling

Data Collection Process

Data collection was conducted using a structured questionnaire designed to identify both inclusion and exclusion errors. The tool focused on inclusion and exclusion indicators of TGILP, covering various socio-economic and vulnerability criteria.

The field enumerators were trained on the tool through a two-day training which focused on the TGILP program area, the difference between PoP and poor, program components, importance of the program, role of CRISP and other partner organisations, research methods and research ethics, about KoboToolbox and how to use it, explanation of the inclusion and exclusion survey tool and testing of the tool. The trained field enumerators visited the selected households and surveyed the head of household or the available person at the household. Data collection was completed over a period of 2 weeks with the support of 6 enumerators from 5 districts.

Data Quality Assurance

To ensure data quality, the CRISP Team accompanied the enumerator team during fieldwork. Out of 30 selected villages for survey across 8 blocks in 5 districts, spot checks in 7 villages, across 7 blocks in 5 districts was conducted. Handholding support was extended to the data collectors; in addition to this daily debriefing calls were organised to understand field-level challenges and issues with the survey tool. Support to the field teams was extended on an ongoing basis.

Findings

A total of 356 surveys were completed for Inclusion, and 75 surveys were completed for exclusion.

Demography of the participants:

The demographic composition of surveyed households reveals significant differences in household leadership and reflects the socio-economic status of the surveyed population.

Female-headed households constituted 61% of the sample (265 households), while male-headed households represented 39% (166 households). This predominance of female-headed households is particularly significant as it indicates heightened vulnerability in the surveyed population, as female-headed households typically face multiple socio-economic disadvantages, including limited access to resources, lower income opportunities, and greater social marginalisation. This also calls for the overall program design to be cognizant of the nature of vulnerabilities and to adopt a gender perspective towards planning and implementation of the program.

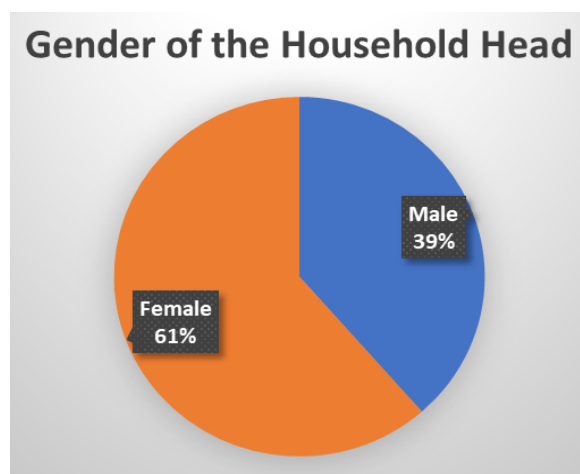


Figure 1: Gender of the Household Head

The caste and category composition of households further highlights the concentration of poverty within specific social groups. Scheduled Tribe (ST) households constituted the largest category at 58% (252 households), followed by Other Backwards Classes (OBC) at 21% (89 households) and Scheduled Caste (SC) households at 19% (81 households), with Minority households representing only 2% (9 households).

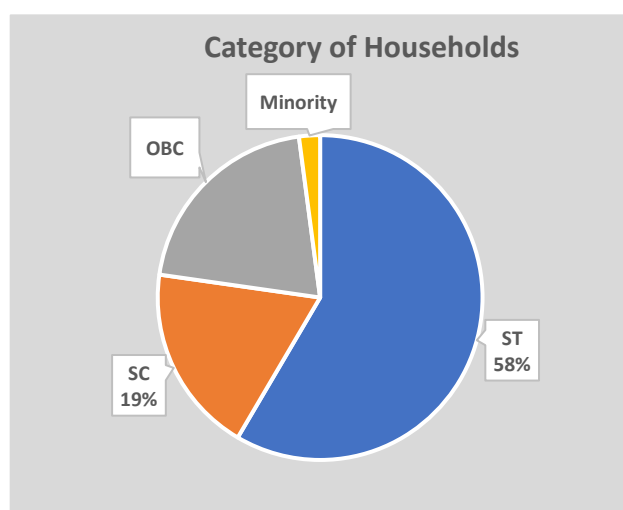


Figure 2: Category of Households

This distribution clearly demonstrates that the poorest households are concentrated among traditionally marginalised and historically disadvantaged groups, underscoring the persistent socio-economic inequalities across caste and religious lines.

Housing: Housing conditions among surveyed households present a stark picture of material deprivation and infrastructural inadequacy. An overwhelming 81% of households (347) resided in Kutcha structures, which are temporary dwellings made of mud, thatch, or other non-permanent materials, while only 19% (84 households) lived in Pucca structures, which are permanent buildings constructed with durable materials such as brick and concrete. This heavily skewed distribution toward Kutcha housing reflects the extreme poverty of the surveyed population and indicates severe housing

insecurity. Kutcha structures offer minimal protection against weather elements, are prone to deterioration, and contribute to poor health outcomes, particularly during monsoon seasons and extreme weather events. The predominance of Kutcha housing, therefore, not only represents a symptom of poverty but also constitutes a significant vulnerability factor that compounds the livelihood challenges faced by these households.

Housing Ownership and Quality

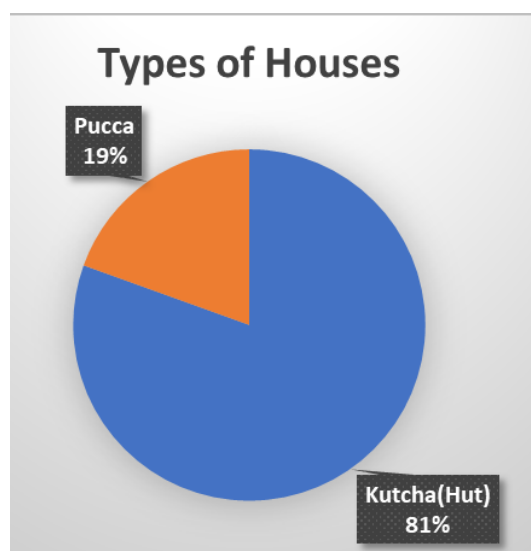


Figure 3: Types of Houses

Housing ownership and quality metrics further illustrate the economic vulnerability of surveyed households. When asked about house ownership, 82% of households (353) reported owning a house, while 18% (78) did not own a house and lived in rented or informal arrangements. Among households that owned houses, housing quality indicators were concerning. Only 4.2% of households (18) had three or more rooms with Pucca walls and roof, representing adequate housing standards. In contrast, 59.8% of households (257) had only one room with a Kutcha roof and wall, representing severely inadequate housing. The remaining 36% of households (156) lived in huts that were in such poor

condition that during the rainy season, rainwater would drip inside their homes, and they lacked even a proper place to sleep. This combination of limited housing ownership among the poorest, coupled with severely inadequate housing quality even among those with houses, demonstrates the housing deprivation characteristic of the PoP population. Overcrowding and poor construction materials create unhygienic living conditions that contribute to poor health outcomes and reduced quality of life.

Intersecting Vulnerabilities:

The survey identified several categories of particularly vulnerable populations within the PoP households. Out of the total surveyed sample, 61% (265 households) were woman-headed households. Within this category, **50% (134 households) comprises widows, separated, divorced, abandoned women, and victims of domestic violence. This significant proportion, representing half of all woman-headed households, highlights a critical vulnerability dimension where female heads of households face compounded challenges of both economic hardship and social marginalisation.**

Particularly Vulnerable Tribal Groups, specifically the Chenchu, Thoti, and Kollam communities, accounted for 37% of the total sample (161 households), highlighting a significant concentration of extreme poverty within these historically marginalised tribal communities. Within this PVTG subgroup, 64% (103 households) were headed by women, indicating that female-headed households are disproportionately represented among these most vulnerable tribal communities. Landlessness combined with a lack of regular income affected 78% of households (126), creating a highly vulnerable subgroup entirely dependent on irregular labour or informal income sources. These multiple and overlapping vulnerabilities—women-headed, tribal status, and landlessness—often occur simultaneously in the same households, creating compounded disadvantage and requiring specialised, multi-faceted interventions.

The survey also identified five Jogini households, representing a particularly marginalised and historically oppressed group. The Jogini system, an ancient practice in certain parts of India where girls are dedicated to temples, has historically been associated with exploitation and social stigmatisation. The identification of Jogini households in this survey indicates the presence of this historically marginalised group among the poorest populations, requiring specific and sensitive programmatic attention.

Access to Government Services and Social Security Programs:

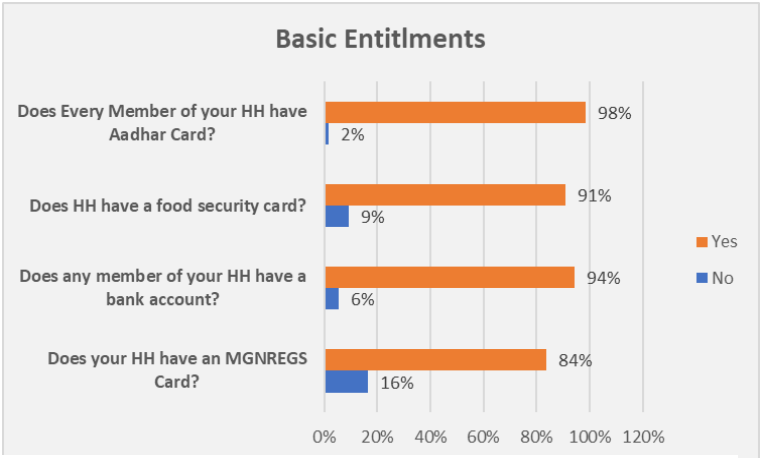


Figure 4: Basic Entitlements

The survey findings reveal a concerning disparity between formal access to government services and the actual utilisation patterns among the poorest households. 66% of households (285) identified as part of the program were engaged with Self-Help Group (SHG) membership, showed relatively strong participation (they are part of SHGs, they take loans, and they have

access to take loans from the internal group, VO's and MMS's savings), and 34% (146) were not participating. SHGs serve as important community-based organisational mechanisms for economic empowerment, financial inclusion, and social development, making this moderate participation rate a positive indicator for community organisation potential.

However, access to basic entitlements and financial services presented a mixed picture with significant challenges. While Aadhaar Card ownership was nearly universal at 98% (424

households), with only 2% (7 households) lacking cards. Food security cards were held by 91% of households (391), while 9% (40) did not have access to this critical benefit. Bank account ownership, representing formal financial inclusion, was held by 94% of households (407), with only 6% (24) lacking bank accounts. MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) card coverage, which provides guaranteed wage employment opportunities, was held by 84% of households (360), while 16% (71) did not have access to this important employment safety net.

Pension coverage revealed one of the most significant service delivery gaps. Among the surveyed population, 178 households were identified as eligible for pension benefits. Of these, 163 households (92%) were actively availing pension benefits, while 15 households (8%) were eligible but not receiving pensions. The reported reasons for non-receipt of pensions by these 15 eligible households included disparities, mistakes in Aadhaar card names and delays in processing from the government side. These barriers represent critical systemic failures in benefit delivery mechanisms, even in cases where overall pension coverage appears relatively strong at 92%. Aadhaar name discrepancies, though seemingly minor administrative issues, create substantial obstacles to pension disbursement, particularly affecting elderly and vulnerable populations who depend on these benefits for survival. Government processing delays further exacerbate this situation, leaving even a small but significant number of eligible beneficiaries without critical income support.

Livelihood and Employment Characteristics:

The livelihood profiles of surveyed households reveal significant dependence on wage labour as a primary income source. When asked about their primary source of income from wage labour, an overwhelming 95% of households (409) reported that wage labour constituted their main income source, while only 5% of households (22) did not rely primarily on wage labour. This predominance of wage labour as the primary livelihood strategy indicates that the vast majority of the poorest households depend on daily or seasonal wage employment as their principal means of income generation. However, this heavy reliance on wage labour also represents a significant vulnerability, as wage labour in rural areas is typically characterised by irregular employment patterns, seasonal fluctuations, insufficient wages, and a lack of employment security or social protection benefits. The small percentage of households (22) not



Figure 5: Wage Labour Dependency

dependent on wage labour likely derive income from other sources such as agricultural activities on small landholdings, self-employment in informal enterprises, collection and sale of forest resources, or other informal occupations.

The predominance of wage labour dependence underscores the need for livelihood programs that not only enhance wage employment opportunities through skills development and labour market linkages but also provide alternative livelihood pathways and income security mechanisms for households vulnerable to wage labour market shocks. Government employment, representing the most secure and remunerative employment form, was virtually absent from the surveyed population, with only 1% of households (6) having members in government jobs, compared to 99% (425) without government employment. This complete absence of formal employment opportunities underscores the severe marginalisation of the PoP population from formal economic structures.

Non-agricultural enterprises, which could potentially provide alternative livelihoods, were extremely rare, with only 4 households (less than 1%) running such enterprises. Critically, all four of these enterprises operated without government registration, indicating they are informal, unregistered operations that likely operate outside formal regulatory and support frameworks. This finding suggests that entrepreneurship initiatives as part of livelihood programs would need to address substantial barriers to enterprise formalisation and compliance.

Asset Ownership and Economic Deprivation

Asset ownership patterns reveal the depth of economic deprivation characterising the surveyed population. Motorised vehicle ownership, typically three or four-wheelers that serve productive purposes in rural economies, was negligible at less than 2% of households. Ownership of irrigated land exceeding 2.5 acres with irrigation equipment, a potential source of productive income, was also minimal at less than 5%. Mechanised agricultural equipment like tractors and harvesters, which could enhance agricultural productivity, was similarly rare at less than 2% of households. This near-universal absence of productive assets—whether transportation, land with irrigation, or mechanised equipment—demonstrates complete economic deprivation and total dependence on non-asset-based livelihoods, typically the most precarious and lowest-paying employment forms available.

Food Security and Health Vulnerabilities

Food security emerged as a critical vulnerability indicator among surveyed households, with 60% of households (257) experiencing severe food insecurity, defined as periods of five to six months annually without sufficient food for household members. This indicates that a

substantial and alarming proportion of the poorest households experience periodic hunger and malnutrition, representing a severe and persistent threat to health and well-being, particularly for children and pregnant/lactating women. The presence of severe food insecurity affecting nearly three-fifths of the surveyed population underscores the urgency and criticality of livelihood interventions to improve household income and food purchasing capacity. This significantly elevated rate of severe food insecurity—affecting six out of every ten households—demonstrates that food poverty is endemic to the PoP population and constitutes one of the most pressing dimensions of their deprivation.

Health vulnerabilities further compounded household challenges. Households with differently abled members or lacking other able-bodied adult members constituted 10% of the sample (43 households), representing a vulnerable subgroup where physical disability may prevent income generation and create care burdens. The higher proportion of households with persons with disabilities in the sample is linked to the inclusion criteria used during household selection. One of the criteria explicitly focused on **“households with a differently-abled member and/or with no other able-bodied adult member.”** Therefore, the 10% (43 out of 431 households) reflects programme-driven inclusion

Terminal illness affected 6% of households (28), indicating significant health-related economic stress, as illness-related expenses can devastate household finances and reduce household labour capacity. These health vulnerabilities often combine with livelihood precarity to create severe deprivation requiring specialised support mechanisms, including health interventions and disability-sensitive livelihood programs.

Community consultation, Participation, and Household Verification

The survey also covered components of community participation and HH verification visits. A substantial 75% of households (325) reported being consulted or visited during household verification, while 25% (106) reported not being consulted or visited. This relatively high consultation rate is an encouraging indicator of the Phase-I verification process's commitment to direct household engagement and community participation. The fact that three-quarters of households were directly engaged demonstrates that the identification process relied significantly on direct interaction with household members. Effective household identification, particularly for poverty assessment, requires direct interaction with household members to verify economic status, asset ownership, livelihood sources, and other indicators, and this survey data suggests that Phase-I made substantial efforts to conduct such direct engagement.

It is important to note that during the household verification/visits in Phase I, women were predominantly present at home, and the identification process was conducted with the involvement of SHGs. During the inclusion-exclusion survey conducted for this study, male

members of the families were typically present at home. Many of these male respondents were unaware of whether household visits had taken place, as they had not been present during the original verification process.

However, the fact that 25% of households (106) were still not consulted or visited indicates that there remains room for improvement.

High community consultation is crucial not only for accuracy but also for legitimacy and acceptance of the identification process among target populations, and the current 75% consultation rate suggests that Phase-I identification benefited from reasonably strong community engagement mechanisms, though efforts should continue to reach the remaining quarter of households and ensure truly universal participation in future verification rounds.

Error Identification and Data Quality

A critical component of the survey was the identification and classification of errors in the Phase-I PoP identification process. The error assessment revealed a nuanced picture of the identification accuracy.

Exclusion errors

Out of the 431 surveyed households, 86.5% (373 households) were verified with no errors, indicating correct identification status. However, 9.2% of households (40) were classified as exclusion errors, meaning these households were incorrectly excluded from the official Poorest of the Poor list despite meeting the eligibility criteria. These are cases where households that genuinely qualify for assistance based on the established poverty criteria were incorrectly left out of the program. The households experiencing exclusion errors typically demonstrated multiple vulnerability indicators, including living in *kuccha* (temporary) housing structures, earning income primarily through wage labour, and having female household heads who are widowed, separated, divorced, abandoned, or victims of domestic violence

Age Group	OBC	SC	ST	Minority
18-25	1	2	5	
26-35	6	4	1	2
36-45	8	3	2	2
46-55	2			
Above 55	2			
Total	19	9	8	4

Table 4: Demographic details of the excluded HHs

- **Gender and Social Vulnerability:** Among the excluded households, 29 were headed by women, with 13 being widows, separated, divorced, abandoned women, or victims of domestic violence—all categories explicitly included in the programme's inclusion criteria. The social composition revealed significant representation from marginalised communities: 8 households belonged to Particularly Vulnerable Tribal Groups (PVTGs), 19 to Other Backwards Classes, 9 to Scheduled Castes, and 4 were Minority households.
- **Access to Government Services:** Critical gaps in service access were evident among these excluded households. Fifteen households were not members of Self-Help Groups, limiting their access to collective economic opportunities and social support networks. Three households lacked ration cards, denying them subsidised food security. Two households had no bank accounts, excluding them from formal financial services. Nine households did not possess MGNREGS cards, preventing their access to guaranteed wage employment under the national employment guarantee scheme.
- **Housing and Asset Poverty:** The vast majority of excluded households (37 out of 40) lived in kuccha houses, demonstrating severe housing inadequacy and material deprivation. Twenty-five households possessed fallow or wasteland, representing unproductive assets that provide no livelihood support.
- **Livelihood and Economic Vulnerability:** Economic precarity was pronounced among these households. Ten were landless without any regular income source, representing extreme livelihood vulnerability. Thirty-five households earned their income primarily from wage labour, indicating dependence on irregular and insecure employment. Three households were engaged in temporary migration for livelihood, reflecting desperation-driven coping strategies. One household survived through waste (garbage) collection, one of the most marginalised and stigmatised occupations.
- **Food Security and Health Vulnerabilities:** Twenty-five households experienced severe food insecurity, defined as five to six months annually without sufficient food—a critical indicator of extreme poverty. Nine households had differently abled members or lacked other able-bodied adults, creating additional care burdens and limiting income-earning capacity.

These characteristics collectively demonstrate that the 40 excluded households clearly met multiple inclusion criteria and represented some of the most vulnerable populations.

Inclusion errors

Additionally, 4.8% of households (18) were identified as inclusion errors, indicating households that were incorrectly included in the PoP list despite meeting the exclusion criteria.

- **Vehicle and Equipment Ownership:** Three households owned motorised three or four-wheelers, representing significant productive assets that indicate relative economic stability. Two households possessed mechanised agricultural equipment (three or four-wheeler), further demonstrating access to productive capital that should have excluded them from the programme.
- **Land and Irrigation Assets:** 6% of the households(26) owned more than 2.5 acres of irrigated land with at least one irrigation equipment. This combination of productive land and irrigation infrastructure represents substantial agricultural capital and income-generating potential, placing these households above the poverty threshold defined for PoP identification.
- **Housing Quality:** Eighteen households had three or more rooms with pucca (permanent) walls and roof, indicating housing quality significantly above the deprivation threshold. This housing standard represents relative economic stability and asset accumulation incompatible with PoP status. These households possessed disqualifying assets or characteristics explicitly mentioned in the programme's exclusion criteria.

Collectively, these inclusion and exclusion errors account for 5% and 9% of errors, respectively, of the surveyed sample, representing a significant rate of misidentification that has direct implications for program beneficiary selection and resource allocation. The presence of both types of errors suggests that the Phase-I identification process suffered from systematic challenges that resulted in both false positives and false negatives, with vulnerable eligible households being left out while some non-eligible households were included.

Limitations and challenges

Additionally, regarding the classification of housing types, during the Phase I household identification process, the list of Indiramma Illu (housing scheme) beneficiaries had not yet been released. During our survey, we did not specifically ask respondents about their Indiramma Illu beneficiary status, and many respondents did not voluntarily disclose this information. Consequently, there may be slight variations in the reported housing type data, as some households that were Indiramma Illu beneficiaries may have been categorised differently.

Conclusion

The Inclusion-Exclusion Survey conducted by TGILP from September 13-29, 2025, across 30 villages in five districts of Telangana provides critical insights into the characteristics and vulnerabilities of the poorest households and the effectiveness of the Phase-I identification process. The survey of 431 households reveals a population marked by extreme deprivation across multiple dimensions of poverty.

Demographically, the PoP population is characterised by predominantly female-headed households (61%), concentration among historically marginalised groups, including ST communities (58%), and severe housing inadequacy, with 81% residing in temporary Kutcha structures. These intersecting vulnerabilities create compounded disadvantage, particularly evident among the identified five Jogini households and 30% of households lacking both land and regular income.

The identification accuracy assessment shows a 9% of Exclusion errors and 5% of Inclusion errors, respectively, both indicating systemic challenges in Phase-I classification. However, the survey also documents positive procedural aspects, notably that 75% of households were directly consulted during household verification, demonstrating substantial community engagement efforts.

Critical vulnerability indicators are deeply concerning. Severe food insecurity affects 60% of households, with nearly three-fifths experiencing five to six months annually without sufficient food. While pension coverage appears relatively strong at 92%, the remaining 8% face administrative barriers related to Aadhar name discrepancies and processing delays. Wage labour constitutes the primary income source for 95% of households, yet this dependence represents significant vulnerability given the irregular, seasonal, and inadequately remunerated nature of rural wage employment.

The PoP population demonstrates complete asset poverty, with less than 6% owning productive assets, and negligible formal employment or entrepreneurship engagement. Combined with health vulnerabilities affecting 16% of households, the survey demonstrates that the poorest households face multidimensional deprivation requiring comprehensive, integrated interventions.

To enhance program effectiveness, TGILP should strengthen income security mechanisms beyond wage labour, address administrative barriers to benefit access, provide disability-sensitive and gender-responsive livelihood support, and prioritise the identified marginalised subgroups through targeted, culturally appropriate interventions. The survey data provides a robust foundation for designing more effective Phase-II strategies that address the root causes

of extreme poverty and build sustainable livelihoods for Telangana's most vulnerable populations.

Recommendations

1. Strengthening the Identification Process and Reducing Errors

Addressing Exclusion Errors (9.2% of sample)

- Ensure that systematic appeal mechanisms are functional at the Village Organisation (VO) and Mandal Mahila Samakhya (MMS) levels to allow households who have been excluded to present their case.
- Strengthen the orientation of the MMSs to ensure appropriate inclusion of all eligible community members. Maintain clear records of the excluded households, further MMS verification should be extended to the excluded HHs in addition to the existing guidelines on inclusion for HH verification.
- Develop clear documentation guidelines for the excluded households, such that these can be verified at the CLF verification stage.
- Strengthen the household verification and create a dedicated outreach strategy for the 25% of households who reported not being consulted during Phase I, ensuring universal household contact in subsequent phases.

Addressing Inclusion Errors (4.8% of sample)

- Implement stricter verification protocols for exclusion criteria at the CLF Verification level, particularly regarding the exclusion criteria's including:
 - Ownership of motorised three/four-wheelers and mechanised agricultural equipment.
 - Pucca housing with three or more rooms.
 - Irrigated land holdings exceeding 2.5 acres with irrigation equipment.
 - Regular salaried employment with monthly incomes above ₹10,000.
- Conduct cross-verification of exclusion indicators with government databases (vehicle registration, land records, employment records) where feasible.

2. Improving Data Quality and Verification:

-
- Maintain the data triangulation approach using SECC 2011 data, PRA findings, and household survey results, and update with more recent data sources where available.

- Strengthen the role of Community Resource Persons (CRPs) through additional training on identification criteria, inclusion/exclusion indicators, and household visits.

3. Strengthening Community Consultation and Participation:

Ensuring Universal Consultation

- Both male and female members can consult to ensure complete information gathering and household awareness during household visit.
- Develop communication strategies to inform all household members about the identification process, their inclusion status, and programme entitlements.

Grievance Redressal Mechanisms

- Ensure transparency by publicly displaying preliminary and final household lists with clear timelines for appeals

4. Programme Implementation and Monitoring:

Capacity Building

- Provide comprehensive training to CRPs, VO members, and Society for Elimination of Rural Poverty (SERP) staff on identification criteria, verification protocols, and sensitive engagement with vulnerable populations.
- Adapt trainings to address lessons learned from Identification Phase I.



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