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Constructing A Sub-National Developmental State: Political Leadership and State Capacity in Telangana

Mahathi Gandi
PhD Research Scholar

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ABSTRACT: The decade of Telangana's statehood offers an unusually clear window onto a question that the developmental state has rarely asked at the sub-national level: can a regional government, within the constraints of a federal democracy, deliberately build the administrative capacity, coordinating authority, and strategic orientation of developmental states? This article approaches Telangana as an example of sub-national developmental state formation rather than a case of welfare populism and asks how political leadership under K. Chandrashekar Rao (KCR) translated the political capital generated by a successful statehood movement into durable state capacity. The article traces the mechanisms through which the new state sought to compress its own institution building-bureaucratic restructuring, cabinet-centred coordination, mission-mode implementation and targeted public investment. It also argues that the Telangana experience extends developmental state theory beyond its point of origin in East Asia, showing that the coupling of political authority with administrative discipline can occur within, rather than despite, democratic and federal constraints, even as this coupling generates its own contradictions of centralisation and accountability.

KEYWORDS: Developmental state; State capacity; Sub-national governance; Political leadership; Telangana; India.

1. INTRODUCTION

When Telangana was carved out of Andhra Pradesh in June 2014, it inherited very little of what traditional narratives of state formation consider prerequisites for good governance (Evans, 2012; Fukuyama, 2013). It had no separate capital city administration of its own—Hyderabad remained, for a decade, a shared capital with Andhra Pradesh—no independent secretariat traditions, a bureaucracy drawn from an undivided cadre whose loyalties and career expectations were still unsettled, and a fiscal base shaped by decades of policy attention directed toward coastal Andhra rather than the Telangana region (B N, 2010; Raju, 2019). And yet, in a relatively short period of time, Telangana came to be talked about in Indian policy circles less as a fragile successor state than as a reasonably coherent example of programmatic governance: a state that could conceive, finance and deliver large infrastructure and welfare programmes with a level of administrative follow-through that many older and better-resourced states struggled to match. The puzzle the article addresses is this mismatch between starting conditions and what we see happening.

Most existing treatments of Telangana's post-2014 trajectory either treat it as a story of welfare innovation—in which schemes like Rythu Bandhu, Kalyana Lakshmi, and the KCR Kits are read as instances of a new generation of Indian cash-transfer and social-protection politics—or as a story of regional identity politics, in which the Telangana Rashtra Samithi's (TRS, later Bharat Rashtra Samithi) long campaign for statehood is read forward into its subsequent electoral dominance around a movement that rallied students, peasants, and intellectuals under the slogan "Jai Telangana," emphasising irrigation disparities, job reservations, and underdevelopment (Sreenivas, 2018; Seshan, 2018). Both readings are useful and this article draws on both, but neither is primarily concerned with the question that animates the developmental state literature: how does a state acquire the administrative capacity to formulate and implement a coherent development strategy, and what role does political leadership play in constructing that capacity where it does not already exist? (Johnson, 1982; Evans, 2012; Fukuyama, 2013). Welfare in Telangana is genuinely impressive, and its infrastructure investment is on a scale that is rare among Indian states of comparable size. But the more analytically interesting question is not whether these programmes were popular, but rather how a newly formed, resource-constrained government was able to build the institutional machinery capable of designing and executing them within its first decade of existence (Evans, 2012).

The argument developed here is that Telangana can best be understood as a case of sub-national developmental state formation: a case in which political leadership, institutional innovation, administrative coordination and strategic public investment combined to build state capacity in a compressed period, within the constraints – and using the resources – of Indian federalism (Leftwich, 2000; Evans, 2012). This is a different claim from the more familiar one that Telangana pursued "developmental" policies. The difference between a developmental state and a state that merely spends on development is the presence of a coherent and relatively insulated policy-making apparatus able to set priorities, discipline implementation and coordinate across agencies around defined ends (Johnson, 1982; Evans, 2012). In the empirical parts of this paper, we enquire whether and how far such an apparatus was constructed in Telangana, through which mechanisms and at what cost.

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This article makes three contributions. First, it applies developmental state theory - a body of work that has been developed almost exclusively with reference to national governments in East Asia - to the sub-national level in a large federal democracy, a context that has been relatively underexamined in the literature (Johnson, 1982; Evans, 2012; Fukuyama, 2013). Second, it provides a critical, non-celebratory account of how political leadership functions as a capacity-building resource, viewing KCR's centralised style of governance as neither an incidental biographical detail nor a stand-alone explanation, but an input among several institutional mechanisms. Third, it diagnoses the contradictions – centralisation, bureaucratic reliance on personalist authority and fiscal pressure – associated with compressed, leadership-led state building, and explores what these contradictions mean for the longevity of sub-national developmental states more broadly, a question that is made more urgent by the change of government in Telangana in December 2023 (North, 1990; Fukuyama, 2013; Dhawan, 2025).

2. RETHINKING THE DEVELOPMENTAL STATE BEYOND EAST ASIA

The notion of the developmental state derives from Chalmers Johnson's treatment of Japan's Ministry of International Trade and Industry, described a state where the bureaucratic elite was insulated enough from particularistic political pressure to formulate and implement industrial policy in pursuit of national economic goals (Johnson, 1982). This idea with the notion of "embedded autonomy," where the successful developmental state has a cohesive, Weberian bureaucratic core with close but not too close links to the productive sectors they seek to influence—autonomy without embeddedness results in predatory or inert states whereas embeddedness without autonomy results in capture (Evans, 2012). The framework in a comparative study of Northeast and Southeast Asia, showing that developmental statehood was neither a unique institutional template nor an automatic result of authoritarianism, but a historically contingent achievement dependent on configurations of bureaucratic recruitment, external threat, and coalition politics (Woo-Cumings, 2019).

There are two features of this literature that are worth noting because they do not easily transfer to the Indian sub-national context and therefore need adaptation rather than direct application. First, the almost total identification of the developmental state with the East Asian, often authoritarian or one-party-dominant, national government. The second is the tendency, more evident in the popular reception of the concept than in its most careful formulations, to treat state capacity as a stock that a government either has or does not have, rather than something that can be actively built within the lifetime of a single political leadership. Both these features need to be relaxed before the concept can do useful work on a case like Telangana.

On the first point, comparative work on state-directed development in Brazil, India, Nigeria and South Korea is a useful bridge, precisely because it takes seriously variation in state capacity within democratic and quasi-democratic settings, arguing that the historical formation of "cohesive-capitalist," "fragmented-multiclass," and "neo-patrimonial" state types shapes the possibilities for effective economic intervention independently of regime type in the narrow sense (Kohli, 2004). The political economy of Indian growth post-1980 is directly relevant here: traces how pro-business realignments at the national level, and then in individual states, changed the coalition base and administrative orientation of Indian governments well short of any wholesale adoption of an East Asian model (Kohli, 2004). This literature shows that state capacity in India has never been uniformly distributed across the federation, and that some state governments – Andhra Pradesh under N. Chandrababu Naidu in the late 1990s is the most commonly cited example – adopted distinctly technocratic, investment-oriented strategies that foreshadow some of what this article documents for Telangana (Kennedy, 2013). In fact, the post-bifurcation leadership of Telangana itself includes several personalities with direct institutional memory of that earlier undivided-Andhra Pradesh experiment, a continuity that deserves more attention than it has hitherto received in the literature on regional economic governance in India.

On the second point – the treatment of capacity as a stock rather than a constructed process – historical institutionalist provides a more useful vocabulary than does developmental state literature alone. The depiction of institutions as the humanly devised constraints that structure political and economic interaction, and that institutional change is generally incremental and path-dependent, helps explain why capacity-building projects like Telangana's are better understood as processes of institutional layering and conversion rather than the wholesale importation of a developmental-state blueprint (North, 1990). The institutional change - the observation that new institutional arrangements are rarely built on a clean slate but are rather grafted, layered or converted from existing organisational forms - is particularly apt for a state government that inherited an undivided bureaucratic cadre and had to repurpose, rather than replace, most of its administrative machinery (Thelen, 1999; Mahoney, 2000). Mapping of the different variants of new institutionalism is useful here mainly as a reminder that the "calculus" and "cultural" logics of institutional change are not mutually exclusive: Telangana's administrative reforms combined instrumental, leadership-led redesign of particular agencies with an appeal to regional cultural memory – the invocation of the Kakatiya dynasty's tank-irrigation heritage in Mission Kakatiya being the clearest example – lending the reform project a legitimacy that purely technocratic redesign would have lacked (Hall & Taylor, 1996).

Treating state capacity as a single variable, rather than disaggregating, improves the question of state capacity itself. Analytically central to the Telangana case is distinction between despotic power, the degree of action a state elite can take without routine negotiation with civil society groups, and infrastructural power, the ability of the state to penetrate civil society and implement decisions logistically across its territory (Mann, 1984). Much of what this article documents as capacity-building in Telangana is precisely an infrastructural-power project: the construction of monitoring dashboards, mission-mode implementation units, land-record digitisation, and single-window investment clearance mechanisms that allow the state to act with a degree of administrative reach that its despotic authority – its formal constitutional powers as a state government – did not automatically confer. The state capacity cannot be considered in isolation from the social forces that a state must contend with or cooperate with, offers a useful counterpoint to the reading of Telangana's administrative reforms as a purely top-down technical success (Migdal, 1988). As the discussion of Mission Kakatiya shows, irrigation politics in Telangana had to work with existing patterns of local water governance, rather than simply on top of them (Migdal, 1988). The broader theoretical warrant for the state-centered reading arguments for "bringing the state back in" as an object of analysis, rather than as a residual of class or interest-group politics (Skocpol, 2014).

None of this literature was written with Indian federalism in mind and the constitutional position of Indian states, with their own executives, legislatures, and considerable (if constitutionally circumscribed) fiscal and administrative authority over subjects such as agriculture, irrigation,

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land, and local government, while functioning within a national macroeconomic and regulatory framework, and drawing much of their senior bureaucracy from all-India cadres, creates a distinctive opportunity structure for sub-national developmental statehood that neither the East Asian nor the classic historical-institutionalist literature anticipated. The political economy of Indian federalism provides the basis for the degree of genuine policy autonomy available to state governments in exactly the domains — irrigation, agriculture, industrial promotion, municipal administration — in which Telangana focused its capacity-building effort (Rao & Singh, 2006). It is this constitutional space rather than any formal delegation of 'developmental state' status from the centre that makes sub-national developmental statehood a coherent empirical possibility within a federal democracy, and it is this space that the remainder of the article explores through the Telangana case.

3. THE MAKING OF TELANGANA

The emergence of Telangana as a separate state was not the result of an administrative reorganisation from above, but the outcome of a long-standing regional movement that had its roots in the 1969 agitation against the neglect of the Telangana region within the united Andhra Pradesh and was decisively revived in the 2000s. The movement was revived in the 2000s by leaders like K. Chandrashekar Rao of the Telangana Rashtra Samithi, bringing together students, peasants and intellectuals under the slogan "Jai Telangana," focusing on irrigation disparities, job reservations and underdevelopment as its core grievances (Sri Krishna Committee (B N, 2010)). In November 2009, K. Chandrashekhar Rao launched an indefinite fast in protest, demanding the formation of a separate Telangana state. This event is considered, in the secondary literature, to be the turning point that pushed the central government to commit in December 2009 to start the process of state formation, even though the Andhra Pradesh Reorganisation Act was eventually passed in 2014 after continuing protests from the Seemandhra region (Vaddiraju, 2017). The Telangana Rashtra Samithi won a majority in the simultaneous state elections and KCR was sworn in as the first Chief Minister of Telangana, which was officially formed on 2 June 2014 (Vaageeshan & Chitrapu, 2021).

The way Telangana was created is important to the argument further because it set the initial conditions under which state capacity had to be built (North, 1990; Skocpol, 2014). Unlike states created solely through administrative reorganisation, Telangana's political leadership possessed an unusually concentrated reservoir of political legitimacy at the time of creation, accumulated through a decade-long mobilisation around a single, clearly articulated grievance narrative. According to the leadership of the Telangana movement—a narrative also examined by the Committee for Consultations on the Situation in Andhra Pradesh (2010)—the undivided state of Andhra Pradesh had systematically underinvested in Telangana's irrigation infrastructure, failed to ensure the region's equitable share of public employment, and disproportionately directed public resources towards the development of coastal Andhra (CCSAP-REPORT, 2010; Rate, 2010; Tillin, 2013). This narrative served two important functions. The new government received an electoral mandate that produced an unusually stable single-party (later, effectively one-dominant-coalition) legislative majority through two subsequent terms, and it offered a ready-made policy agenda of irrigation revival, employment generation, and water and power provision, around which the new administration could organise its early institution-building without having to first construct a developmental agenda from scratch (Melkote, Revathi, Lalita, & Sajaya, 2010; Bonagani, 2018).

Yet against this political asset was a battery of serious administrative liabilities. The bifurcation left Telangana without a dedicated, all-India service cadre of its own. Officers were apportioned between the two successor states through a Presidential Order under Section 77 of the Andhra Pradesh Reorganisation Act, 2014, a process that took several years to complete and generated persistent uncertainty within the bureaucracy over postings, seniority and career trajectories in the initial period (DoPT, 2014). The ten-year joint capital status of Hyderabad with the two states created complications in the matters of division of assets, sharing of revenues and administrative jurisdiction which in most cases of political devolution are settled before and not after the formal transfer of power (DoPT, 2014). The bifurcation documents the scale of administrative friction that followed, especially with respect to Hyderabad-based assets and institutions (Raju, 2019; Khare & Verma, 2022). It turns out that the division of these was far more contentious than the political settlement on statehood itself (Rao G. , 2013; Sharma, 2025). Fiscally, Telangana inherited from the rest of the state a somewhat narrower agrarian base, with a semi-arid interior that had been heavily dependent on groundwater and minor tank irrigation rather than canal-fed delta agriculture of the coastal districts. This structural disadvantage was only partially offset by the Kakatiya-era tank irrigation network, which by the 2010s was heavily silted and dysfunctional (GOT, 2015; Reddy, 2020).

4. CONSTRUCTING STATE CAPACITY

State capacity in Telangana was built through four interlinked mechanisms: bureaucratic restructuring and cadre consolidation; the centralisation of coordinating authority in the Chief Minister's office (Fukuyama, 2013); the adoption of "mission mode" as an organisational template for flagship programmes; and the repositioning of planning and monitoring functions towards implementation discipline rather than long-range indicative planning of the sort associated with the earlier Planning Commission era[AP reorganisation Act 2014] (PRS, 2014).

The bureaucratic restructuring began almost immediately after 2014, the early and administratively important decision being to increase the number of revenue districts from 10 to 33 in 2016 with a proportionate increase in the revenue divisions, mandals and municipal bodies (Government of Telangana, G.O.Ms.No.221, Revenue (DA-CMRF) Department, 2016). The government's Municipal Administration Minister said in 2020 that the purpose of the reorganisation was to decentralise the departments to bring the administration closer to the people along with increasing the number of districts, revenue divisions, mandals and municipal corporations as part of the decentralisation process (Rondinelli, 1981). Administrative decentralisation was not pursued as a devolution of political authority to elected local bodies in the classical manner associated with panchayat raj reform; rather, it was pursued as a re-engineering of the state's own field administration to reduce the geographic and demographic span of control of individual district- and mandal-level officers (Aiyar, Piriou-Sall, McLean, & Williams, 1996; Mathew, 2000). Thereby increasing the this meant that the district collectors and the line departments reporting to them could be set more granular, more frequently monitored performance targets in smaller districts. This is consistent with, rather than in tension with the mission mode implementation.

From the beginning, coordination was centralised in the Chief Minister's office and in a relatively small group of senior IAS officers who travelled with the Chief Minister across departmental portfolios and, in effect, served as a coordinating layer above the normal secretariat structure (GOT,

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2015). An example of this is the Regional Coordinators appointed to oversee the implementation of Mission Bhagiratha (MCRHRDI, 2019). These Regional Coordinators were tasked with ensuring that proposals were approved quickly, a role specifically intended to bypass the sequential, department-by-department clearance procedures that normally impede large infrastructure programmes in the Indian administrative system. This is a recognisably Evansian mechanism – the setting up of a relatively insulated, elite coordinating cadre with direct political backing – adapted to a sub-national Indian setting where the relevant insulation is less from capture by private business from the routine inter-departmental friction that characterises Indian state bureaucracies more generally (Evans, 2012).

Mission mode as an organisational form deserves separate treatment as it was the central administrative technology through which Telangana converted political priority to implementation capacity. Mission Kakatiya, Mission Bhagiratha and later programmes such as Pattana Pragathi (municipal development) and Palle Pragathi (village development) followed a similar architecture (PMKSY; Fasi, 2019). A single, named flagship with a fixed multi-year physical target, a dedicated implementation unit outside the normal departmental hierarchy, ring-fenced or earmarked financing often sourced in part from central-sector borrowing instruments like NABARD's Rural Infrastructure Development Fund, and crucially, public, time-bound targets that created a form of self-imposed political accountability separate from routine departmental budgeting. Mission Kakatiya was launched in 2015 as a project to restore more than forty-six thousand tanks with a total storage capacity of 265 TMC of water, financed in significant part through NABARD's Rural Infrastructure Development Fund. Mission Bhagiratha, launched the next year, was aimed at providing safe and sustainable piped drinking water supply to all households in the state, including the tribal hamlets, with NABARD again the single largest external lender to the programme. The mission-mode format is not unique to Telangana in Indian public administration: it has its antecedents in national programmes like the Total Sanitation Mission, and later the Swachh Bharat Mission. But Telangana's simultaneous use of the format across its core sectoral priorities, within the first two years of statehood, marked an unusually concentrated bet on a single organisational technology as the primary vehicle for state capacity construction (IRC Wash, 2014).

Of the four mechanisms, the redeployment of planning functions is the least visible, but arguably the most consequential. In 2015, the national Planning Commission was replaced by NITI Aayog, a body without the Commission's fiscal allocation powers, leaving state governments across India without a familiar, if often criticised, institutional interlocutor for long-range development planning. Instead of re-creating an equivalent indicative-planning apparatus, Telangana's response was to concentrate planning capacity within budget-linked, target-driven monitoring systems directly attached to the flagship missions and to the Chief Minister's office – a choice that sacrificed the broader, more deliberative planning function in favour of a narrower but more operationally effective implementation-monitoring function (GOT, 2015). This is institutional conversion, rather than creation, in the terms of the historical-institutionalist literature: existing planning department personnel and procedures were not abolished but redirected to a different, narrower purpose than the one for which they had originally been built (Thelen, 1999).

These four mechanisms make up a recognisable, if adapted, developmental-state apparatus: a coordinating elite with direct political backing; an implementation technology able to impose sectoral priorities on a fractured departmental structure; infrastructural reach extended through administrative decentralisation; and a planning function reoriented from indicative long-range design to disciplined, target-based execution. What this apparatus does not have, and what most distinguishes it from the classical East Asian cases, is anything like Evans's embeddedness with organised industrial capital as the principal partner in policy formulation (Evans, 2012). Telangana's embeddedness, such as it is, runs instead towards agrarian and local-body constituencies – a difference that reflects the sectoral composition of the state's own priorities and which is examined further in the discussion of developmental governance in practice.

5. DEVELOPMENTAL GOVERNANCE IN PRACTICE

The clearest test of whether Telangana's institutional architecture amounted to more than an organisational aspiration lies in the record of its flagship programmes, each of which illustrates a different facet of the capacity-building argument developed.

Mission Kakatiya is the programme most directly in continuity with the state-building narrative that accompanied Telangana's formation, as it explicitly framed irrigation revival in terms of restoring a pre-colonial regional achievement rather than a new policy intervention (Fasi, 2019). The government's stated aim was to uphold the Kakatiya dynasty's vision that had built hundreds of large and small tanks across the Telangana region and reverse an irrigation policy under united Andhra Pradesh that had emphasised major canal irrigation at the expense of the state's tank networks, leading to the destruction of age-old water conservation systems. The operational core of the programme was to restore desilting capacity, bund strengthening and feeder-channel repair across an initial census of minor irrigation sources. It is a scheme that aims to renovate 46,531 tanks and lakes with a combined storage capacity of 265 TMC across the state over a period of five years – the first programme taken up by the Government of Telangana after coming to power in June 2014 (GOT, 2015). Independent evaluations of the programme's impacts have been broadly, though not universally, positive. A midterm evaluation by researchers at the International Water Management Institute identified measurable increases in the area irrigated by rehabilitated tanks (Shah & Verma, 2017). A subsequent study of trends in tank irrigation in southern Telangana found a large and statistically significant increase in tank irrigation area after the mission was implemented, reversing a declining trend over the previous decade (Latha, Chary, Supriya, & Sreekanth, 2023). The Center for RISC evaluation project at the University of Chicago, which adopted a mixed experimental and observational design, indicated that the restoration of tank irrigation of this type has broader importance for water-scarce agrarian regions across peninsular India as the southern states together account for the large majority of India's tank-irrigated area. Less analytically important for the argument of this article is the size of the irrigation gains – which the evaluation literature considers still provisional – than the fact that a state government was able to undertake a physical census, prioritise, finance and implement rehabilitation works in tens of thousands of scattered rural sites within a compressed multi-year time-frame, a logistical achievement that speaks directly to the infrastructural-power dimension of state capacity identified above.

Mission Bhagiratha adopted the same organisational template for piped drinking water provision, a sector in which the semi-arid, groundwater-dependent geography of Telangana had long produced acute seasonal shortages and problems of water quality, notably fluoride contamination in parts of Nalgonda district. The financing structure of the programme, in which NABARD infrastructure lending played a prominent role, and state

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budgetary resources were not the only source of finance, is a further aspect of the capacity-building argument (NABARD, 2020). The new state's coordinating apparatus was instrumental not only in disciplining internal implementation, but also in mobilising external, non-discretionary financing instruments more effectively than a less coordinated bureaucracy might have done. This pattern of a state government using central financial institutions as a lever for programme financing while retaining full control over programme design and sequencing is consistent with what Rao and Singh describe as the practical texture of fiscal federalism in India, where formally centralised financial instruments frequently become vehicles for state-level policy autonomy in the hands of a sufficiently well-organised state government (Rao & Singh, 2006).

The most direct one is TS-iPASS, a specific institutional innovation borrowed from the earlier Andhra Pradesh reform experience in the late 1990s for use in the post-bifurcation context of Telangana, which was set up under the Telangana State Industrial Project Approval and Self-Certification System Act of 2014 (Government of Telangana, TSipass, 2014; Putty & Balachandran, 2017). The Act proposed a statutory time-bound single-window clearance mechanism for industrial investment, replacing the sequential departmental approval process with self-certification with a clause of deemed-approval if the state did not respond within a stipulated time (TS-iPASS , 2014). The importance of the programme for the developmental-state argument lies not so much in the individual investment outcomes, which are difficult to causally attribute simply to the clearance mechanism, but in what it says about the willingness of the coordinating apparatus to bind its own departmental discretion by statute – a rare case, in the context of the wider Telangana reform programme, of capacity-building through self-limitation of bureaucratic authority rather than through its concentration, and one that sits somewhat uncomfortably with the more centralising tendencies documented elsewhere in this article.

The programme that is most responsible for Telangana's national and international policy visibility is Rythu Bandhu (Mounika , Nirmala, & Santosha, 2022). Introduced in 2018 as the Farmers' Investment Support Scheme, it has been widely credited as a precursor to the central government's own PM-KISAN scheme that was launched the following year. While other states came up with similar income-support schemes later, the Telangana government had first launched a state-wide drive to update land records, remove mistakes and issue digital, secure land title passbooks to owners of agricultural land parcels, and it was this updated and verified land-record database that provided the operational basis for making the investment-support payments. This ordering – administrative infrastructure (land records) before and enabling policy delivery (cash transfers) – is the clearest single illustration in the Telangana record of the distinction this article draws between developmental policy and developmental capacity: the transfer itself is a straightforward, administratively undemanding instrument once a reliable beneficiary database exists, but building that database at state scale is precisely the kind of infrastructural-power achievement (Katherasala & Bheenaveni, 2024). Empirical work on the impact of Rythu Bandhu on farm investment, indebtedness and productivity is more mixed than the programme's political reputation might suggest, with many district-level studies documenting tangible improvements in input-purchasing capacity and reduced dependence on informal credit alongside persistent criticism of the scheme's exclusion of tenant farmers, who make up a large proportion of Telangana's real cultivators but are absent from the land-ownership records on which the scheme is based (a limitation acknowledged across the evaluation literature) (Thomas, Uday, & Zaveri, 2020; Katherasala & Bheenaveni, 2024). This exclusion is itself a direct, if unintended, consequence of the scheme's administrative design: a delivery mechanism based on the state's own land-title infrastructure inevitably reproduces the inequities embedded in that infrastructure.

The power sector, municipal governance reforms built under Pattana Pragathi and Palle Pragathi and Telangana's early and comparatively assertive digital administration initiatives complete the picture of a state that focused its capacity-building effort in a relatively narrow band of sectors — irrigation, water, power, land records and industrial clearance — rather than pursuing capacity-building as a generalised administrative reform agenda (The Hindu, 2020; Socio Economic Outlook, 2022). Such selectivity is theoretically interesting. Where the classical East Asian developmental states built broad-spectrum industrial-policy bureaucracies, Telangana built what might be called sectoral developmental capacity: deep, mission-specific institutional strength in a small number of politically and economically salient domains, without a corresponding transformation of the state's administrative capacity (Johnson, 1982; Evans, 2012; Fukuyama, 2013). Is this sectoral pattern a scalable model of sub-national state building, or is it a leadership-driven allocation of scarce political and administrative attention that is not easily generalisable across the full range of governance functions? The article returns to this question in the discussion of limits below.

6. ACHIEVEMENTS, CONTRADICTIONS AND LIMITS

The capacity-building record is there from the beginning, but there are also tendencies that qualify any straightforwardly positive evaluation. The most immediately apparent of these is centralisation. The centralisation of the coordinating authority in the Chief Minister's office and a small group of trusted secretaries and family members occupying senior portfolios in the cabinet — a pattern recorded in accounts of the composition of successive Telangana cabinets — resulted in a governance style where departmental ministers and secretaries often acted as implementers of decisions taken at the top, rather than independent sources of policy initiative (Hill & Hupe, 2002). This is in line with what the literature on mission-mode would predict as a design trade-off rather than an incidental defect: the same concentration of authority that enabled missions to cut through inter-departmental friction also narrowed the range of actors with genuine agenda-setting power, resulting in an implementation capacity that is difficult to disentangle, analytically or institutionally, from the personal authority of the Chief Minister who built it (Evans, 2012; Fukuyama, 2013).

This gives rise to a second closely related contradiction: bureaucratic dependence on personalist political authority. Much of the coordinating apparatus described above - the Regional Coordinators, the mission-mode implementation units, the direct reporting lines to the Chief Minister's office - was built up through executive order and administrative practice rather than through statutory entrenchment of the kind that, for example, protects an independent regulatory agency from routine political interference. The success of the Telangana movement in transforming itself from a social movement into a governing party gave the state's founding leadership a rare runway—a full decade in office—to embed these arrangements as administrative habit. But the durability of mission-mode coordination independent of the political leadership that created it remains, as a matter of institutional design, untested (Pierson, 2000). The change of government in Telangana after the December 2023 assembly election, in which the

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Indian National Congress under Revanth Reddy replaced the Bharat Rashtra Samithi administration, offers an emerging natural test of exactly this question (Election Commission of India, 2023). However, a full assessment of continuity and discontinuity in the mission-mode apparatus under the successor government is beyond the documentary record available for this article and is flagged here as a priority for future research rather than resolved.

The third contradiction is fiscal pressure. Telangana's flagship investment, irrigation, drinking water and welfare transfer commitments which are being financed through a combination of state revenue, market borrowing and central lending instruments such as NABARD's RIDF and NIDA facilities have attracted continued attention from fiscal analysts and rating agencies concerned about the state's debt (Government of Telangana, Finance Department, 2021). The RBI state finance publications have highlighted this concern in relation to several major states pursuing large capital-intensive missions in this period (RBI, 2022). The main strength of the mission-mode template is also its main fiscal liability, which is the 'ability to focus resources on high-profile targets', creating strong political incentives to defend flagship programme financing even in conditions of aggregate fiscal stress. This may crowd out less visible but equally necessary categories of public expenditure such as routine departmental maintenance, health system strengthening and school-level education spending that were comparatively less emphasised within the mission architecture documented above.

Democratic accountability raises a different set of issues that the developmental state framework, primarily derived from non-democratic or single-party East Asian cases, is not well equipped to address directly (Johnson, 1982; Evans, 2012). Regular, competitive, and by most independent assessments reasonably free state elections were held throughout Telangana's mission-mode governance (Fukuyama, 2013). It is this fact that makes the case theoretically interesting. The coordinating capacity described in this article was constructed and sustained under conditions of genuine electoral competition, not through the insulation from electoral pressure that facilitated bureaucratic autonomy in the classical East Asian cases. But electoral accountability at five-yearly intervals is a crude mechanism for holding to account the day-to-day operation of a coordinating apparatus concentrated in the hands of appointed officials and an inner ministerial circle (Leftwich, 2000; Doner, Ritchie, & Slater, 2005). The legislative opposition's ability to scrutinise mission-mode implementation through ordinary assembly procedure seems, on the documentary record available, to have been limited relative to the scale of the programmes concerned. A systematic assessment of Telangana Legislative Assembly proceedings on this question would be needed to substantiate the point further than the available secondary literature currently allows.

Another limitation of the state-level success story is regional inequality within Telangana itself. The mission mode programmes were designed and financed at the state level but implemented across districts with distinctly different initial endowments – the relatively better irrigated and more urbanised districts around Hyderabad and the Krishna-Godavari command areas differ substantially from the more remote, tribal majority districts of the erstwhile Adilabad and Khammam regions – and the available district level evaluation literature on programmes such as Mission Kakatiya suggests uneven rates of physical completion and downstream agricultural benefit across zones (Latha, Chary, Supriya, & Sreekanth, 2023). This article does not claim to definitively answer this question here, but the evaluation literature has not yet determined whether the mission mode architecture actively narrowed or failed to fully close pre-existing regional disparities within Telangana.

Together, these contradictions do not undermine the capacity-building achievement described in the article, but do suggest that it was bought at the price of institutional choices — centralisation, personalist coordination, aggressive borrowing, and sectoral rather than general administrative reform — that have identifiable costs and that leave the resultant capacity more contingent on continued political stability than the classical developmental-state literature, which focused on bureaucracies insulated by civil-service tradition rather than by the tenure of a particular leadership, would lead one to expect.

7. TOWARDS A THEORY OF THE SUB-NATIONAL DEVELOPMENTAL STATE

The Telangana case provides three revisions to developmental state theory that expand its applicability to sub-national governments within federal democracies, while also making clear the limits of that expansion.

The first revision addresses the source of bureaucratic insulation. Insulation largely to civil-service tradition, meritocratic recruitment and a certain distance from electoral politics that allows technocratic elites to withstand particularistic pressures over a long institutional life span (Johnson, 1982; Evans, 2012). The coordinating apparatus in Telangana had its counterpart in the form of insulation from routine inter-departmental and inter-agency friction, if not from executive political direction, which is in fact its source rather than an obstacle, but through a different mechanism, that is, direct, personalised political backing for a small coordinating elite outside the standard secretariat hierarchy. This suggests that, in federal democratic contexts where sub-national governments lack constitutional authority to establish an independent tradition of their own in civil service (as in India, where senior administrative cadres are recruited and, in important respects, governed at the national rather than the state level), political leadership can provide institutional insulation as a source of coordinating capacity, at least in the short-to-medium term. The theoretical cost of this substitution — its contingency on the particular leadership that constructs it — is exactly the durability question, and the article suggests that sub-national developmental statehood constructed in this way should be understood as a distinct, more fragile subtype rather than as a direct sub-national analogue of the East Asian cases.

The second revision is on embeddedness. In the embedded autonomy, respect to a state's structured links to organised industrial capital as the main external partner in policy formation (Evans, 2012). The most successful external ties for Telangana, based on the evidence reviewed here, targeted agrarian constituencies (via Rythu Bandhu and irrigation revival), external financial institutions such as NABARD (via mission financing), and, in the case of TS-iPASS, prospective industrial investors in a more transactional, clearance-facilitating relationship than the deep co-governance ties that was described in the Korean and Taiwanese cases (Evans, 2012). This implies the need for a correspondingly reoriented conception of embeddedness for the developmental state concept, when applied to sub-national governments for which the primary policy levers relate to land, water and agriculture rather than industrial policy in the classical sense. An embeddedness conception focused on agrarian and infrastructural constituencies rather than organised industrial capital is necessary to avoid systematically underestimating the developmental character of agrarian-focused sub-national states.

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The third revision is about scope. The Telangana case suggests that sub-national developmental statehood, at least as it is forged in compressed, leadership-led circumstances, tends towards sectoral rather than general capacity—deep institutional strength in a few politically salient domains, rather than a wholesale transformation of bureaucratic capacity across the entire spectrum of state functions (Fukuyama, 2013). This is a major departure from the classical cases, where developmental statehood is generally posited as an orientation of the bureaucratic apparatus rather than a sectoral achievement (Johnson, 1982; Evans, 2012). This implies that comparative research on sub-national developmental states elsewhere in India and in other federal democracies—the states of Nigeria, the more industrially advanced states of Brazil such as São Paulo and Ceará, or the provinces of Pakistan would be natural comparison points—should expect to find, and should be equipped to explain, similarly sectoral rather than general patterns of capacity construction, than treating sectoral concentration as evidence against the presence of developmental statehood altogether (Rodden, 2004; Cingolani, 2013).

These revisions, taken together, suggest that the developmental state concept is more portable than its East Asian origins might suggest, but that its portability to sub-national, federal, democratic contexts requires loosening three assumptions built into the classical formulation: that insulation must come from civil-service tradition and not political leadership; that embeddedness must run towards organised industrial capital; and that developmental capacity must be general rather than sectoral in scope (Evans, 2012). For the comparative federalism, the case of Telangana provides a concrete example of how constitutionally constrained sub-national governments can nevertheless create meaningful policy autonomy through administrative rather than simply fiscal or legal means – a finding that is consistent with but adds to existing accounts of Indian fiscal federalism (Rao & Singh, 2006). More broadly for development studies, it suggests that state capacity should be studied as a variable that can be actively and rapidly constructed by political actors under favourable but far from ideal initial conditions, rather than as something primarily of a slow-moving historical inheritance — a shift in emphasis that brings the state capacity literature into closer dialogue with the historical-institutionalist concern for agency and contingency within path-dependent processes (Thelen, 1999; Mahoney, 2000).

8. CONCLUSION

The article attempted to answer a specific question: What was the role of political leadership in the making of the state capacity and the emergence of a sub-national developmental state in Telangana? The evidence surveyed here points to a qualified but favourable answer. K. Chandrashekar Rao's political leadership acted as a capacity-building resource in three principal ways: by providing the political support to enable a small coordinating elite to overcome routine inter-departmental friction; by converting the concentrated political capital generated by the statehood movement into an early, sustained commitment to a small number of mission-mode flagship programmes; and by channelling administrative reorganisation – the expansion of districts and municipal bodies, the redeployment of planning functions, the statutory self-limitation embodied in TS-iPASS – towards the specific sectoral priorities that had defined the statehood movement's own grievance narrative. The resultant apparatus provided for real, verifiable increases in infrastructural power – the ability to carry out state-wide physical censuses, digitise land records, disburse large-scale cash transfers, and coordinate multi-year capital programmes to a degree that most secondary literature regards as unusual among Indian states with comparable resources.

But this capacity has been built on mechanisms- centralisation of coordinating authority, personalist rather than institutional insulation, aggressive use of external borrowing, and a sectoral rather than general pattern of administrative reform- that leave open serious questions about durability, democratic accountability, and distributive equity. Which further questions that the change of government in December 2023 has begun to empirically test in ways that the documentary base of this article cannot yet fully evaluate.

The importance of Telangana exceeds the realm of Indian federalism. It provides a specific case to re-examine the relevance of the developmental state concept beyond its East Asian origins and beyond the national scale at which it has been almost exclusively studied, arguing that sub-national governments in federal democracies can build meaningful. If sectorally concentrated and politically contingent, developmental capacity through administrative innovation, mission-mode implementation, and leadership-driven coordination, even where they lack the constitutional authority to build an independent civil service or an industrial policy apparatus of the classical type. The Telangana case suggests at least three priorities for future research. First, a systematic comparison with other Indian states that have adopted distinct sub-national development strategies, most obviously undivided and post-bifurcation Andhra Pradesh itself. Second, a closer empirical assessment of what happens to mission-mode coordinating capacity when political leadership changes, using the 2023 transition as a natural experiment as further evidence accumulates. Third, a comparative extension of the sub-national developmental state concept to federal democracies beyond India, where similarly constrained but administratively ambitious regional governments may provide further tests of the theoretical revisions proposed here.

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Corresponding Author: Mahathi Gandi