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Symbolic Federalism and Real Exclusion: Post-Statehood Governance in Telangana and the Limits of Subnational Transformation

by

Raju Chaketi, Swati Nupur Tigga & Naveen Kolloju*

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Abstract

The formation of Telangana in 2014 was widely celebrated as a landmark moment in the evolution of Indian federalism and as a decisive response to decades of regional neglect, socio-economic marginalisation, and political exclusion within the composite state of Andhra Pradesh. Statehood was expected to correct historical injustices by ensuring equitable access to water, public employment, development funds, and political representation. This article argues, however, that Telangana's post-statehood trajectory reflects a condition of *symbolic federalism*, wherein territorial recognition and political visibility have not fully translated into substantive institutional transformation or inclusive governance. Drawing on theories of asymmetrical federalism, recognition and redistribution, and multi-level governance, and supported by few insights from rural Telangana. This article critically evaluates governance outcomes in the decade following state formation. It demonstrates that elite domination, executive centralisation, selective welfare delivery, fiscal dependence, and weak decentralisation continue to structure governance in the new state. Marginalised communities, Dalits, Backward Castes, tenant farmers, women, and educated rural youth, remain unevenly incorporated into development processes. The Telangana experience thus highlights the limits of statehood as a stand-alone remedy for structural injustice and contributes to broader debates on federalism, subnational autonomy, and democratic deepening in India and comparative contexts.

Keywords

Telangana, symbolic federalism, marginalisation, subnational Governance, Panchayati Raj, recognition politics, institutional exclusion



1. Introduction

The creation of Telangana on 2 June 2014 represents one of the most consequential moments in the trajectory of Indian federalism since the linguistic reorganisation of states in the 1950s. The Telangana movement was a sustained political protest against regional inequality, unequal development, and political marginalisation within the composite state of Andhra Pradesh, as compared with the earlier statehood movements, which were mostly linguistic or administrative in nature. The statehood demand was expressed not just as a territorial imperative, but as a normative claim that political autonomy might serve as a redress to historical malpractice and institutional oversight (Rao, 2010; Tillin, 2014).

The Telangana movement formed a social coalition, which was unprecedentedly wide in terms of inclusion, including Dalits, Adivasis, Backward Castes, tenant farmers, women, public sector workers, students, and educated rural youth. To these groups, statehood represented more than political acknowledgement, but it also offered the promise of dignity, equal access to state-provided resources, and responsiveness to the institution. The popular slogan *Neellu, Nidhulu, Niyamakalu* (water, funds, jobs) condensed a widespread perception that governance arrangements within Andhra Pradesh systematically disadvantaged Telangana in irrigation investment, fiscal allocation, and public employment (Reddy & Reddy, 2016). Statehood, therefore, was invested with transformative expectations that extended far beyond administrative autonomy.

The governance results in Telangana are more contested a decade after its formation. As much as the state has realised increased political visibility and symbolic recognition, there is increasing disenchantment as to whether statehood has led to substantive institutional reform, decentralisation, or social inclusiveness. This article offers that the experience of post-statehood in Telangana is an example of *symbolic federalism: a kind of federal accommodation* whereby territorial recognition is provided without any substantial redistribution of power, resources, or decision-making power.

Symbolic federalism, as conceptualised in this article, refers to a form of federal accommodation in which territorial recognition is granted without a corresponding restructuring of power relations, fiscal authority, or institutional autonomy. It denotes a



condition where the formal inclusion of a region within a federal framework coexists with the centralised governance practices and limited democratic deepening.

As an analytical category, symbolic federalism enables us to examine how statehood can simultaneously produce political recognition and institutional continuity, thereby generating a gap between popular expectations of transformation and the actual outcomes of governance. In the Telangana context, this concept is used to evaluate whether state formation has translated into meaningful decentralisation, redistribution, and social justice.

The article goes as follows: Section 2 presents Telangana in the context of larger discussions about Indian federalism, underlining centralization and asymmetry in the constitution. Section 3 examines asymmetrical federalism theories to assess limits of territorial accommodation. To expand on the idea of symbolic federalism, section 4 outlines the recognition and redistribution structure. Fiscal federalism, decentralization, employment, agrarian transformation, and social justice are among the governance outcomes that are experimentally analysed in Sections 5 to 9. Telangana is contrasted to other recently formed states in Section 10, and the conclusion evaluates limitations of subnational transformation.

2. Federalism, State Formation, and the Indian Context

The underlying paradox between formal decentralization and substantive centralization is reflected in the constitutional framework of Indian federalism. Although India is referred to as a Union of States in the constitution, Parliament exclusively possesses the authority to reorganize state borders under Article 3, which restricts the autonomy of constituent states.

Debates in the Constituent Assembly reveal a deep suspicion towards classical federalism, often perceived as a potential threat to national unity. Bhattacharyya (2007) observes that federalism was at times regarded as a “recipe for disintegration,” which justified the retention of strong central powers in matters of territorial restructuring. Similarly, Singh (2016) argues that the federal scheme of the Constitution is marked by an inherent asymmetry, where the Union retains decisive authority over the existence and boundaries of states. This centralising tendency suggests that state formation in India is less a negotiated



federal compact and more an instrument of political management, thereby shaping the limits within which subnational autonomy can operate.

Classical federalism theories, in particular the idea of federalism as a compromise of independent political units by Riker (1964) lays stress on negotiated power and mutual agreement. Indian federalism, on the other hand, has developed mostly through political accommodation that is controlled by the central government. State building and formation have more frequently been used to address regional dissatisfaction, social mobilisation, and electoral pressures as opposed to redistribution of power or enhanced democratic engagement (Arora, 2012).

The Telangana case exemplifies this trajectory. Although the movement expressed structural complaints based on historical inattention, disparate development, and political marginalisation, the constitutional procedure, by which statehood was provided, did not require fiscal federalism, administrative autonomy, or local government reforms. Telangana inherited the same institutional structure as any other Indian state - that of executive hegemony, bureaucratic centralism, and financial reliance on the Union. Thus, the formation of the state answered the question of territorial recognition but left the system of governance mostly the same.

3. Asymmetrical Federalism and the Limits of Territorial Accommodation

Asymmetrical federalism can offer an analytical perspective that can be used critically to understand the formation and post-statehood course of Telangana. Watts (2008) and Choudhry (2006) scholars contend that “asymmetry allows federation to embrace diversity by giving various powers, fiscal or institutional protection to those regions with historical or cultural identities”. Such differentiation is permitted by the constitutional structure of India, which is manifested in the special provisions of Articles 371 and 371A -J.

The Indian Constitution provides for asymmetrical federal arrangements through Articles 371 and 371A–J, which grant specific states differentiated powers in matters such as legislative autonomy, administrative safeguards, and cultural protection. These provisions



recognise historical, ethnic, and regional distinctiveness and are designed to accommodate diversity within the federal framework.

However, Telangana's formation did not involve comparable constitutional asymmetry. Despite its distinct historical experience as part of the erstwhile Hyderabad State and its claims of systemic marginalisation, the new state was incorporated within the standard federal framework without additional safeguards or enhanced autonomy. As Nicolini (2015) argues, "asymmetry can serve as a critical instrument for managing divided societies by institutionalising difference. Its absence, however, often results in the persistence of centralised governance structures, thereby limiting the transformative potential of territorial reorganisation" (Nicolini 2015).

Telangana formation recognised the historical experience of the region, especially the annexation of the princely state of Hyderabad and its consequent marginalisation in Andhra Pradesh (Rao, 2010). Nonetheless, this concession was limited to territorial acknowledgement. The Telangana state has not been granted greater legislative power, special fiscal status, or administrative differentiation. Contrary to the meaningful asymmetry cases in comparative federations, statehood did not change the power equilibrium between the Union and the state, nor did it give authority to sub-state institutions.

This constrained form of asymmetry is indicative of a larger tendency in Indian federalism to view state creation as a culmination rather than a beginning of institutional reformation. As Tillin (2014) demonstrates, "the creation of new states in India has often functioned as a strategy for accommodating regional mobilisation and diffusing political conflict rather than fundamentally transforming institutional arrangements" (Tillin 2014). Statehood, in this sense, operates as a mechanism of political settlement, addressing demands for recognition while leaving existing structures of power and governance largely intact.

4. Recognition, Redistribution, and the Logic of Symbolic Federalism

The difference between recognition and redistribution, as developed by Nancy Fraser (2004), can offer a critical perspective on assessing the results of post-statehood in Telangana. The Telangana movement was a combination of demands for cultural-political recognition and material redistribution. The recognition dimension was achieved through



statehood, which legitimised a particular regional identity and political history. Redistributive results, however, have been imbalanced, selective, and contingent.

Post-statehood governance in Telangana has relied heavily on high-visibility welfare schemes such as *Rythu Bandhu*, *Dalit Bandhu*, *Aasara* pensions, *Kalyana Lakshmi*, *Shaadi Mubarak* and housing programmes. Although these efforts have made the state more electorally attractive and visible in its administration, they exist on more of a discretionary and personalised basis as opposed to being rights-based and universal. The welfare provision has taken the place of structural reforms in land redistribution, the creation of jobs, and institutional accountability.

This trend is an example of symbolic federalism, whereby recognition is institutionalised with symbolism of territorial autonomy and welfare, but without removing underlying relations of inequality. Without redistribution due to threats of depoliticising inequality, as Fraser (2004) warns, recognition will simply redefine structural injustice as administrative benevolence and not as a democratic right. In Telangana, welfare has served as a political technology that concentrates executive power instead of giving citizens the power through institutional rights.

5. Fiscal Federalism and State Capacity after Statehood

An often-overlooked dimension of post-statehood governance is fiscal federalism. Telangana took over a fairly good revenue base as compared to other new states like Jharkhand and Chhattisgarh. Nonetheless, this fiscal privilege has not been turned into increased decentralisation or institutional empowerment. Rather, the fiscal resources have been more centralised in the state executive, which strengthens the top-down governance.

Reliance on centrally sponsored schemes, borrowing to finance big infrastructure projects, and increasing public debt have limited policy autonomy. Intensive irrigation and welfare schemes have consumed a large portion of the government funds, restricting investments in education, health, and local government capacity. This has been aggravated by the lack of fiscal devolution to Panchayati Raj Institutions and has weakened the grassroots governance, which was the promise of participatory federalism.



6. Multi-Level Governance and the Crisis of Decentralisation

The multi-level governance (MLG) theory focuses on decentralising authority at several levels of the government to increase participation, accountability, and responsiveness of policies (Hooghe & Marks, 2003). The vision of the Telangana movement was local government decentralisation and empowered local governance.

As a matter of fact, though, the post-statehood government in Telangana has been characterised by a growing centralisation at the state level. The power to make decisions is centralised in the Chief Minister's Office, and the Panchayati Raj Institutions, Mandal Parishads, and District Planning committees are financially reliant and administratively weak (Reddy, 2019). Decentralisation requirements in the constitution have not yielded to decentralised autonomy and participatory planning.

Such a loss of decentralisation is a blow to democratic participation, especially to marginalised communities where politics is available through local institutions. Although Telangana got autonomy over its parent state, the issue of autonomy in the state is limited, which shows a basic contradiction of governance in a post-statehood era.

7. Employment, Youth, and the Politics of Post-Statehood Disillusionment

Employment generation was one of the most potent mobilising discourses of the Telangana movement, especially among educated youth in rural areas who comprised the organisational backbone of the movement. The expectation of statehood was common to redress what was seen as institutional injustices against Telangana applicants in terms of public employment, administrative assignments, as well as in higher education in the composite state of Andhra Pradesh. The growth of the state bureaucracy, establishment of new departments, and decentralisation of the administrative roles were anticipated to create a lot of jobs and bring back confidence in the institutions (Reddy & Reddy, 2016).

Nevertheless, the results of governance after 2014 indicate that the disparity between expectations and reality is increasing. Even after frequent electoral promises, the public recruitment in Telangana has been marked by extended delays, court wrangles, and vacancies.



According to the data provided by the *Centre of Monitoring Indian Economy* (CMIE), the rates of unemployment in the state are constantly high, and the unemployment of graduates and post-graduates is especially acute (CMIE, 2020). The young, highly educated, particularly rural and semi-urban, are becoming more and more not empowered by statehood but deprived of an opportunity.

Disillusionment among the youth has been seen through protests, lawsuits, and a lack of confidence in the state institutions. Researchers think that the inability to meet job expectations contributed to a broader issue of a lack of legitimacy in the post-statehood government, where there is no symbolic guarantee of autonomy and material opportunity (Deshpande, 2021). In this respect, the place of employment becomes a very significant place where symbolic federalism is unveiled: recognition without redistribution brings about political frustration and not inclusion.

8. Agriculture, Irrigation, and the Uneven Geography of Agrarian Transformation

Agriculture and water access were foundational to the Telangana movement, reflecting the region's historical experience of drought, tank neglect, and uneven irrigation investment. Large-scale initiatives such as *Mission Kakatiya* and the *Kaleshwaram Lift Irrigation Scheme* were presented by the post-statehood government as corrective interventions aimed at reversing decades of agrarian neglect (Government of Telangana, 2018). These projects were symbolically framed as evidence that statehood had finally enabled regionally responsive development.

Empirical studies indicate that the non-tenant farmers and landless agricultural workers have been marginalised by the fruits of irrigation and input subsidies, which have been unevenly distributed among landholding farmers (Reddy & Mishra, 2020). The land-linked programmes, such as the *Rythu Bandhu*, marginalise the tenant cultivators systematically even in cases when they are the prime participants of the agrarian economy of Telangana.

In addition, the emphasis on mass irrigation has also introduced certain new challenges to the financial sustainability, ecological impacts, and geographical imbalance. The agrarian transformation is made difficult by the rise in the level of public debt, overruns, and



environmental pressures. There is agrarian distress in terms of the indebtedness, crop failure, and farmer suicides, though there is more state money involved. This inertia points to the ineffectiveness of the infrastructure-based solutions without institutional change in land relations, land tenure, and rural credit institutions.

9. Social Justice, Caste, and the Persistence of Institutional Exclusion

The Telangana movement had marginalised communities, especially Dalits, Adivasis, and Backward Castes, as its main focus, as statehood was seen as an avenue to empowerment, representation, and substantive social justice. There are also certain welfare programmes, such as *Dalit Bandhu*, residential schools, and housing programmes, introduced as a result of post-statehood administration in order to address historical disadvantage. The political significance of these interventions has been a sign of identification and involvement in the history of state development.

Nonetheless, substantive results of social justice remain limited and uneven. The structural barriers that marginalised groups face in accessing land, quality education, labour markets, and political representation continue to influence them (Thorat and Newman, 2012). The welfare delivery may be described as discretionary operations, which enhance the dependence on the political mediation, rather than the institutional rights. These particular plans are symbolically important, according to the scholars, but do not dismantle caste-based exclusion within the institutions of the state and the market (Palshikar, 2017).

The limited capacity to dismantle caste based inequality is an indication of one of the inherent contradictions of symbolic federalism: it is recognised, but no institutional alterations that would end exclusion are made. The absence of participatory governance, law, and accountability means that social justice will be patchwork, conditional, and rebalanced politically.



10. Comparative Perspectives: Telangana in the Landscape of New States

A comparative examination of Telangana alongside other newly formed states, such as Jharkhand and Chhattisgarh, reveals striking similarities in post-formation governance trajectories. In both instances, statehood functioned as a tool of spreading discontent in the region and as a means to settle identity-based demands, but it did not essentially change the dynamics of elite domination, administrative centralisation, and unequal development (Tillin, 2014).

Jharkhand and Chhattisgarh, both created in 2000, emerged from prolonged movements centred on tribal identity, resource control, and regional underdevelopment. While statehood was expected to enable more responsive governance, both states have sometimes continued to experience political instability, elite capture, and uneven development. These trajectories suggest that the creation of new states, while addressing identity-based grievances, does not automatically translate into institutional transformation or equitable development. Telangana, despite its relatively stronger fiscal base and urban economic advantages, reflects similar patterns of executive centralisation and selective redistribution. This comparison reinforces the argument that territorial reorganisation must be accompanied by deeper reforms in decentralisation, fiscal autonomy, and institutional accountability.

The state of Telangana is not similar to these states as it has a comparatively more robust fiscal base and urban economic centres, especially Hyderabad. Nevertheless, this has not been converted into more inclusive governance. Rather, the increased fiscal capability has strengthened executive centralisation and discretion in welfare politics. According to the comparative federalism literature, institutionalised decentralisation and fiscal devolution, unless present, the new states tend to repeat the governance pathologies of their predecessors as opposed to overcoming them (Watts, 2008).

Telangana, therefore, adds to the wider comparative arguments on the state making in federations by demonstrating that even in the case of territorial reorganisation, democratic deepening and redistributive justice cannot be assured. The case highlights that the evaluation of statehood as a process that necessitates a permanent institutional reform is necessary instead of merely a recognition act.



11. Conclusion: Beyond Symbolic Federalism

More than a decade after its formation, Telangana embodies both the promise and the limits of federal accommodation in India. Statehood has provided the symbolic identity, political visibility, and regional pride. Nevertheless, all the more profound desires that inspired the movement, equity, dignity, and substantive inclusion, are still not fully achieved. The structural injustice of weak decentralisation, selective welfare provision, endemic executive centralisation, and unequal development underscores the inadequacy of the statehood as a willful solution to structural injustice.

This gap between recognition and change is manifested in the symbolic concept of federalism. Telangana demonstrates that institutional continuity, elite dominance, and democratic deficit do not conflict with territorial autonomy. Reform of fiscal federalism, decentralisation, employment policy, land relations, and rights-based welfare structure should also be provided in order to be a real instrument of social justice.

The example of Telangana teaches an important lesson to Indian federalism and comparative politics in general: subnational reorganisation is not to be regarded as an end, but as a sort of prelude to democratic deepening. The vision of statehood can never be transformative unless institutionalised and participatory governance is actualised.

* Dr Raju Chaketi, Assistant Professor and Area Chair, Guy Peters Department of Political Science, School of Liberal Arts & Humanities, Woxsen University, Hyderabad, Telangana, India. raju.chaketi@woxsen.edu.in, Scopus ID: 59913847800, ORCID: 0000-0002-0346-6389.

Dr. Swati Nupur Tigga, Assistant Professor in History, Department of History, School of Liberal Arts & Humanities, Woxsen University, Hyderabad, Telangana, India. swatinupur.tigga@woxsen.edu.in.

Dr. Naveen Kolloju, Associate Professor and Associate Dean, School of Liberal Arts & Humanities, Guy Peters Department of Political Science, Woxsen University, Hyderabad, Telangana, India. naveen.kolloju@woxsen.edu.in.

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