

# Strengthening India's Democratic Fabric: Gram Panchayat Empowerment and Rural Development in Karnataka and Telangana

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**Abstract:** Decentralisation is a fundamental part of India's democratic system; however, the level of empowerment of Gram Panchayats (GPs) varies significantly among states, raising doubts about its practical effectiveness. This research compares Telangana and Karnataka, two states with distinct and often imperfect forms of Panchayati Raj development. The study examines how state-level reforms affect rural development outcomes using a "nine-dimensional framework" encompassing functional devolution, fiscal powers, institutional capacity, participation, service delivery, staffing, digital governance, accountability, and intergovernmental relations. Findings reveal that despite widespread appreciation, Karnataka's long-standing system still has functional overlaps and inconsistent performance. Nevertheless, a more stable government is supported by its established administrative and democratic frameworks, more fiscal autonomy, and comparatively clear functions. Telangana has made tremendous progress in administrative reform, digitalisation, and capacity building; however, these efforts are hindered by inadequate downward accountability, restricted fiscal discretion, and incomplete functional transfers. GP authority in both states is diminished by the ongoing usage of rival entities. The research concludes that significant decentralisation in India remains a long way off, necessitating more thorough functional mapping, predictable budgetary devolution, the abolition of duplicate agencies, and more robust participatory and technology-driven governance.

**Keywords:** Decentralisation, Gram Panchayats, Panchayati Raj Institutions, Rural Governance, Telangana, Karnataka

## I. Introduction

Decentralisation has long been regarded as a central feature of Indian democratic and development strategy, grounded in the idea that local governments are best positioned to understand community needs, deliver essential services, and support meaningful citizen participation in decision-making. The 73rd Constitutional Amendment institutionalised this vision by granting Gram Panchayats (GPs) constitutional status and assigning them a broad mandate across the Eleventh Schedule. Yet, more than three decades later, the extent and quality of GP empowerment vary widely across states, raising persistent questions about whether decentralisation has achieved its intended outcomes on the ground (Standing Committee, 2025).

India's states have approached decentralisation with markedly different institutional designs, political commitments, and administrative capacities. Karnataka is widely regarded as a pioneer, with a strong history of reforms and a sustained commitment to local governance. According to empirical evaluations, the state created a stable framework for decentralisation by institutionalising participatory forums, developing a professional cadre of Panchayat Development Officers (PDOs), and conducting early activity mapping (IIPA, 2010–11; JRD Karnataka Study, 2018). With a composite score of 72.23, Karnataka ranks first in the Devolution Index (DI) 2024, reflecting this historical depth and exhibiting high levels of administrative, financial, and functional devolution.

In contrast, Telangana is a relatively new state whose decentralisation process gained momentum after 2014. The Telangana Panchayat Raj Act, 2018, introduced significant structural reforms, including the appointment of full-time Panchayat Secretaries, the restructuring of Gram Panchayats, and the rapid digitalisation of planning and finance systems. Telangana's exceptional performance in Institutional Capacity Building, with a score of 86.19 in DI 2024, the best in the nation, reflects these advances, but its overall rating of 16th indicates deficiencies in functional devolution, fiscal autonomy, and accountability (DI 2024).

This tendency is further explained by historical evaluations of undivided Andhra Pradesh, which reveal that a number of essential tasks in Eleventh Schedule topics were retained by line departments, thereby restricting true devolution (IIPA, 2010–11).

This divergence creates a compelling context for examining how decentralisation unfolds in practice. Using a nine-dimensional analytical framework covering functional devolution, financial empowerment, institutional capacity building,

people's participation, service delivery, administrative staffing, digital governance, accountability mechanisms, and intergovernmental relations, this study compares the institutional trajectories of Telangana and Karnataka. The framework incorporates multiple empirical evidence bases, such as the Devolution Index 2024, NIRDPR's data on training and digital adoption, fiscal assessments from IIPA, accountability findings from PRIA (1998), national fiscal devolution trends from the Standing Committee (2025), and micro-level governance studies from Karnataka (JRD, 2018).

The analysis adopts a critical stance, acknowledging that decentralisation is often more cohesive on paper than in reality. Parallel administrative organisations continue to function in areas legally allotted to Panchayats, undermining their authority and fragmenting service delivery (PRIA, 1998). Even high-performing states experience irregularities. Karnataka grapples with digital compliance deficits, while Telangana remains dependent on tied funds and top-down administrative oversight (Standing Committee, 2025)

Through this comparison, the paper argues that Gram Panchayats can only be truly empowered if their roles are clearly defined, they receive regular and flexible funding, community participation is strengthened, and overlapping agencies that limit local authority are phased out. Only when these structural contradictions are addressed can decentralisation make meaningful contributions

## II. Literature Review

Decentralisation in India has been widely theorised as a pathway for deepening democracy, improving service delivery, and enhancing administrative responsiveness. Early studies noted that transferring political, administrative, and fiscal authority to local institutions brings decision-making closer to citizens and strengthens accountability (PRIA, 1998). However, empirical evidence suggests that political commitment, institutional design, historical legacies, and administrative capacity continue to influence the functioning of Panchayati Raj in India, resulting in uneven decentralisation across states. According to national assessments, most states devolved “subjects rather than activities,” which led to poor functional clarity, overlapping authorities, and the ongoing dominance of line departments, despite the 73rd Constitutional Amendment requiring the devolution of 29 subjects (IIPA, 2010–11). The persistence of parastatal bodies further diluted the authority of Gram Panchayats, fragmenting governance and undermining Article 243G (Standing Committee, 2025).

The Devolution Index (DI), now the most comprehensive measure of decentralisation, highlights these variations: Karnataka ranks 1st nationally in 2024 with a composite score of 72.23, while Telangana, despite excelling in capacity building with a score of 86.19, remains at 16th overall, indicating persistent gaps in fiscal and functional devolution (DI 2024). Complementary evidence from NIRDPR (2022–23) reveals significant advances in digital governance and training in Telangana, in contrast to Karnataka's long-established institutional capacity (NIRDPR, 2023).

Reinforcing the notion that fundamental deficiencies in budgetary and functional power cannot be made up for by technological advancements. Although drinking water, education, street lighting, and public accountability have all improved, empirical research from Karnataka (IJAR, 2024) reveals gaps in road conditions and sanitation. Micro-level evaluations reveal significant local variance, even as they validate improvements in Gram Sabha participation and accountability (JRD Karnataka Study, 2018). Research on underprivileged populations indicates that effective PRI engagement, particularly in MGNREGA, significantly increases livelihood stability and empowerment among Scheduled Tribes (Keshlata & Fatmi, 2015).

Demonstrating the ability of Panchayats with adequate power to reform. However, national studies indicate that PRI autonomy remains hampered by financial constraints, linked funding, poor SFC implementation, and digital compliance requirements (Standing Committee, 2025).

Studies on Centrally Sponsored Schemes (CSSs) further reveal wide variation in Panchayat involvement, with states like Tamil Nadu and Odisha demonstrating higher integration, while others continue to bypass PRIs through parallel agencies, contradicting constitutional intent. Recent national reforms highlight an emerging shift toward digital and responsive Panchayat governance, including GP Bhawan saturation, AI-enabled multilingual systems, and localised climate forecasting (MoPR Year-End Review, 2024)

The literature demonstrates that decentralisation in India remains insufficient and inconsistent, and that successful local administration cannot be ensured solely through laws. Stable political backing, well-defined functional roles, dependable financial transfers, robust accountability frameworks, active local engagement, and sufficient technology capability are all necessary for true empowerment. In this study, Telangana and Karnataka are compared based on these characteristics.

### *Gaps in Existing Research*

Despite a substantial body of literature on decentralisation, many gaps remain. Most studies focus on individual states or national trends, providing limited comparative insights into dissimilar models such as Karnataka's long-standing system and Telangana's quick post-2014 changes. The current study typically focuses on constitutional requirements rather than how Panchayats truly perform in the face of competing groups, limited financial autonomy, and uneven accountability. Additionally, there is no empirical research connecting certain aspects of devolution, functional, budgetary, administrative, digital, and participatory, to quantifiable results in rural development. Further comparative and practice-oriented research is required, as emergent issues, including digital governance, responsive planning, and the involvement of excluded populations, remain understudied.

### **III. Methodology**

This study uses a comparative and analytical research approach to analyse the extent of Gram Panchayat (GP) empowerment in Telangana and Karnataka. It employs a nine-dimensional analytical framework derived from recognised decentralisation assessment procedures in India. The framework is based on the main indicators of the Devolution Index, created by the Indian Institute of Public Administration and the Ministry of Panchayati Raj, as well as widely recognised themes in decentralisation literature and state-level evaluation studies. Together, these aspects provide a comprehensive platform for assessing how institutional arrangements, administrative systems, and state-level changes impact the working and performance of Gram Panchayats. A “Nine-Dimensional Analytical Framework” guides the assessment, covering, (1) functional devolution, (2) financial empowerment, (3) institutional capacity building, (4) people's participation, (5) service delivery, (6) administrative staffing, (7) digital governance, (8) accountability mechanisms, and (9) intergovernmental relations and autonomy. These dimensions were selected based on core principles of the 73rd Constitutional Amendment and widely used evaluation frameworks, such as the Devolution Index (DI), which measures the transfer of functions and the financing of functionaries to Panchayats (IIPA, 2024).

The study relies on a combination of secondary data analysis, document review, and comparative synthesis. The Devolution Index 2024 for cross-state performance comparisons, national devolution assessments from IIPA (2010–11), institutional



**Figure 1: Nine-Dimensional Analytical Framework**

capacity and digital governance data from NIRDPR (2022–23), accountability and fiscal trends from the Standing Committee Report (2025), and empirical studies on PRI functioning and service delivery (JRD Karnataka Study, 2018; IJAR, 2024) are important data sources. Evidence on marginalised communities and welfare implementation is integrated using sectoral studies, such as MGNREGA’s impact on Scheduled Tribes (Keshlata & Fatmi, 2015)

The analytical approach combines descriptive comparison and institutional analysis of state-specific reforms. Due to their different decentralisation histories, Karnataka’s long-standing institutionalised model and Telangana’s swift, reform-driven trajectory, Karnataka and Telangana were chosen as contrasting instances. In addition to structural provisions, the research assesses practical limitations, including administrative capacity, budgetary discretion, parallel entities, and digital adoption. This analytical strategy reveals both strengths and enduring gaps in state-level PRI empowerment by enabling a thorough evaluation of how decentralisation plans translate into real governance practices and rural development outcomes.

## IV. State Profiles

### 1. *Karnataka: A Long-Standing Decentralisation Model*

Karnataka is widely recognised as one of India's earliest and strongest champions of decentralised governance. The Karnataka Zilla Parishads, Taluk Panchayat Samithis, and Mandal Panchayats Act of 1983, which laid the foundation for local autonomy, marked the beginning of its decentralisation trajectory well before the 73rd Constitutional Amendment. Over the years, Karnataka strengthened the functioning of standing committees and Gram Sabhas, institutionalised comprehensive activity mapping, and created a professional cadre of Panchayat Development Officers (PDOs). The availability of drinking water, school facilities, street lighting, and accountability systems has improved, according to empirical research; however, in about 70% of the villages studied, sanitation and rural road quality remain problematic (IJAR, 2024). A long-term governance assessment further reveals increased participation in Gram Sabhas, improved committee functioning, and higher institutional responsiveness (JRD Karnataka Study, 2018). With a composite score of 72.23 and excellent performance in functions, finances, and functionaries, Karnataka ranks first in the Devolution Index (DI) 2024, reflecting its rich institutional history (DI 2024).

Despite these advantages, Karnataka still faces modern challenges, such as inconsistent digital compliance and functional overlaps with line departments, as evidenced by slower GPDP uploads compared to other states (Standing Committee, 2025). Nevertheless, Karnataka remains a national leader in democratic decentralisation due to its longstanding dedication to institutional depth and participatory government.

### 2. *Telangana: A Rapidly Reforming Post-2014 System*

A different example is Telangana, which underwent swift legislative and administrative changes upon its establishment in 2014. The historic Telangana Panchayat Raj Act of 2018 established full-time Panchayat Secretaries, reorganised Gram Panchayats, expanded their taxing authority, and incorporated digital governance as a fundamental administrative tool. Telangana's top score of 86.19 on the 2024 Devolution Index's Institutional Capacity Building component indicates that these changes have established the state as a national leader in institutional training and capacity building. Its total score, however, is still 16th, indicating ongoing deficiencies in functional and fiscal devolution (DI 2024). The NIRDPR

Annual Report (2022–23) identifies Telangana as a high-performing state in GPDP digitisation and large-scale PRI training initiatives (NIRDPR, 2023)

Nonetheless, the state still faces historical limitations carried over from undivided Andhra Pradesh, such as a lack of activity-level devolution, reliance on line departments, and the presence of rival organisations that undermine constitutional requirements (IIPA, 2010–11). Challenges include a heavy reliance on linked funds, delayed State Finance Commission (SFC) reports, and difficulties with Panchayat compliance, as highlighted by recent national evaluations (Standing Committee, 2025). In addition, the Ministry of Panchayati Raj's 2024 review notes Telangana's remarkable advancements in climate-responsive and digital governance, including the utilisation of multilingual platforms, expansion of GP office infrastructure, and significant computerisation (MoPR, 2024). Overall, Telangana represents a rapidly modernising, high-capacity decentralisation system that is administratively strong but still evolving in terms of functional and fiscal autonomy.

## V. Comparative Analysis (Nine Factors)

This section compares Telangana and Karnataka across nine critical dimensions of decentralisation: functional devolution, financial empowerment, institutional capacity building, people's participation, service delivery, administrative staffing, digital governance, accountability mechanisms, and intergovernmental relations. The analysis incorporates evidence from national indices, state-level evaluations, and empirical research to assess how each state's decentralisation architecture translates into governance outcomes.

The numerical values depicted in the chart are not statistical measurements but scaled scores constructed to visually compare the relative strength of Karnataka and Telangana across key decentralisation parameters. The chart employs a standardised 1–10 scale to translate qualitative descriptors into comparable numerical scores for visual analysis. In this scale, values of 10 represent features assessed as “*Very Strong*” or “*Very High*,” while scores around 9 correspond to “*Strong*” or “*High*” performance. Mid-range values such as 7–8 reflect “*Moderate to Strong*” levels, whereas a score of 6 denotes a “*Moderate*” status. Lower mid-range scores, such as 5, indicate “*Low–Moderate*” performance. This calibrated scale ensures that subjective qualitative judgments are systematically converted into measurable indicators, enabling consistent comparison across states while preserving the interpretive intent behind each classification.

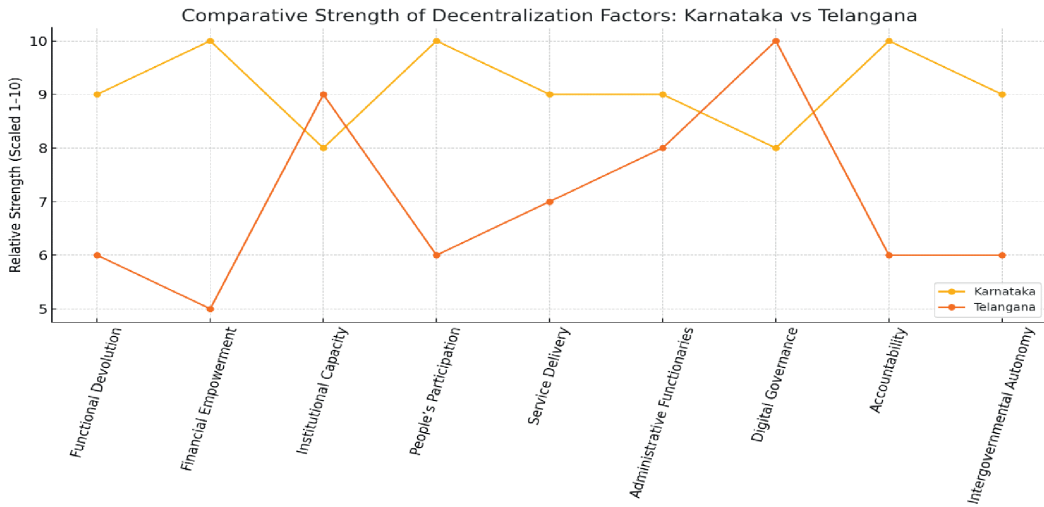
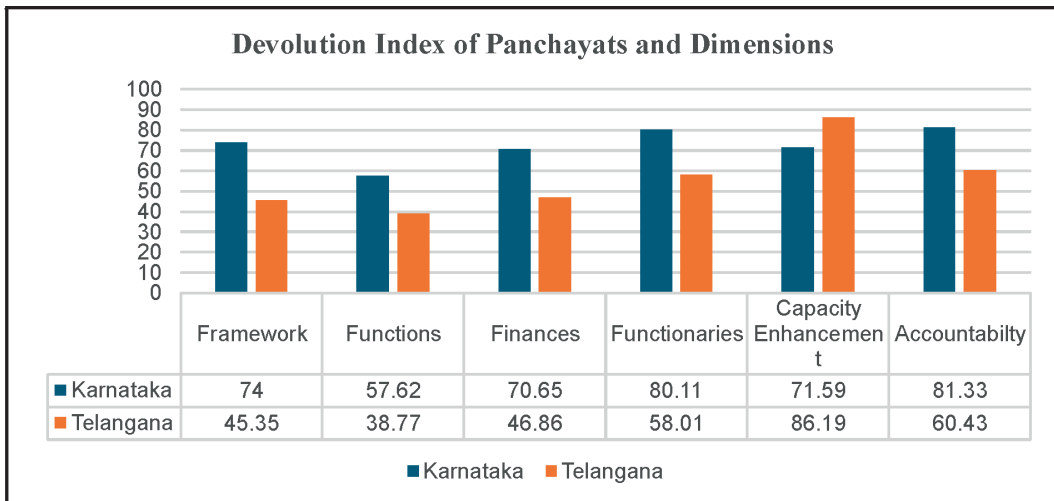


Figure 2: Visual Comparison of Scaled Decentralization Indicators in Karnataka and Telangana

### 1. Functional Devolution

Karnataka has traditionally achieved stronger functional devolution as a result of early activity mapping and more clearly defined duties throughout PRI levels. The state delegated not just topics but also significant responsibilities to GPs, allowing them to wield genuine power in areas such as drinking water, rural roads, and sanitation. This alignment is reflected in its highest functional devolution score on the Devolution Index 2024 (DI 2024).



Source: IIPA (2024), Devolution Index 2024

Telangana, on the other hand, is still constrained by the heritage of the undivided state of Andhra Pradesh. According to studies, major functions in Eleventh Schedule subjects continue to be delegated to line departments or parastatal entities, reducing GP autonomy. Despite the 2018 Act defining roles, activity-level devolution is limited, which explains Telangana's worse functional performance in DI 2024.

## ***2. Financial Empowerment***

Karnataka has greater fiscal autonomy, supported by frequent State Finance Commissions, increased own-source income, and the efficient use of Finance Commission funding. Historical data indicate an increase in per-capita Panchayat expenditure and improved alignment between SFC recommendations and state allocations (IIPA, 2010-11).

Telangana, although having extended GP taxing powers via the 2018 Act, continues to rely significantly on tied handouts, restricting its untied budgetary headroom. The Standing Committee (2025) acknowledges delays in SFC implementation and identifies regulatory obstacles that limit fund absorption. These limits contribute to a worse financial devolution rating in DI 2024.

## ***3. Institutional Capacity Building***

Telangana outperforms Karnataka in this domain. With an 86.19 score, it ranks first nationwide in DI 2024's Institutional Capacity Building pillar, owing to its extensive training programs and strong support from SIRD Telangana and NIRDPR Hyderabad (NIRDPR, 2023).

Karnataka, while historically excellent at capacity building, has a lower annual training intensity. Its existing PRI system requires less basic training, yet this results in smaller DI 2024 increases than in Telangana.

## ***4. People's Participation***

Karnataka shows better, more sustained community engagement. Longitudinal studies demonstrate increased participation in Gram Sabhas, more regular GP meetings, active standing committees, and deeply embedded participatory practices (JRD Karnataka Study, 2018). Previous PRIA studies (PRIA, 1998) also underscore Karnataka's culture of local participation. Participation in Telangana Gram Sabha is unequal among districts. Despite legislative rules requiring numerous Gram Sabha meetings every year in undivided Andhra Pradesh, historical deficiencies in participatory culture continue to affect current outcomes.

### 5. *Service Delivery*

An empirical study shows that Karnataka leads in service delivery outcomes. The IJAR (2024) report indicates that improvements have been made in drinking water, school infrastructure, and street lighting; however, sanitation and rural roads remain challenging. Telangana has made significant progress in cleanliness, waste management, and digital grievance mechanisms; however, the results vary between districts. Variations in water supplies, roads, and infrastructure suggest a lack of coherence between devolution and service delivery.

### 6. *Administrative Functionaries*

Telangana surpasses Karnataka in administrative staffing through the universal deployment of full-time Panchayat Secretaries at every GP, creating a uniform administrative structure. This key adjustment under the 2018 Act greatly improved front-line governance.

Karnataka preserves an older administrative paradigm based on PDOs, which provides technical competence but lacks the consistency attained by Telangana's recent changes. However, Karnataka's long-established administrative cadre remains more experienced.

### 7. *Digital Governance*

Telangana is a leader in digital adoption, with online GPDP systems, village GIS mapping, dashboards, and complete compliance with the e-GramSwaraj and Audit Online websites. The Standing Committee (2025) presents comprehensive audited account filings from all Telangana GPs. The Ministry of Panchayati Raj's 2024 evaluation also mentions Telangana's considerable computerisation and AI-enabled multilingual government systems (MoPR, 2024). Karnataka utilised digital tools early but currently lags behind in compliance, with only 4,545 out of 5,948 GPs submitting GPDPs in 2024-25 (Standing Committee, 2025).

### 8. *Accountability Mechanisms*

Karnataka maintains greater accountability measures, including frequent social audits, active standing committees, regular Gram Sabha scrutiny, and robust audit frameworks. Empirical research demonstrates great transparency and institutional maturity (JRD Karnataka Study, 2018).

Telangana has improved audits and online reporting, but downward accountability, including citizen supervision, involvement, and transparency, remains inadequate. Despite advances in technology, legacy challenges of bureaucratic power endure.

### 9. *Intergovernmental Relations & Autonomy*

Karnataka has more operational autonomy thanks to long-standing governmental support for decentralisation and clearer functional boundaries between departments and Panchayats. Telangana's structural restrictions stem from departmental centralisation, frequent state-level interventions, and delayed SFC implementation. Parallel entities operate in topics included in the Eleventh Schedule, weakening Panchayat control, an issue globally regarded as a serious hurdle to decentralisation (Standing Committee, 2025; IIPA, 2010–11).

## VI. Comparative Empirical Analysis

This study evaluates how decentralisation procedures in Telangana and Karnataka translate into quantifiable governance and development outcomes by combining quantitative and qualitative data from national indices, institutional reports, and field-based research. The Devolution Index (DI) 2024 provides the most comprehensive comparative evaluation, placing Karnataka first with a composite score of 72.23, while Telangana ranks 16th, despite having the highest national score (86.19) in Institutional Capacity Building (IIPA, 2024). These rankings reflect Karnataka's long history of functional and budgetary devolution, while also emphasising Telangana's rapid administrative modernisation and significant emphasis on capacity building following the 2018 reform.

<i>S. No</i>	<i>Indicator</i>	<i>Karnataka</i>	<i>Telangana</i>
1	DI 2024 Composite Score	72.23	55.10
2	DI 2024 Rank	1	16

These differences are supported by institutional data from the NIRDPR Annual Report (2022–2023): With the help of NIRDPR's Hyderabad campus and robust state-level training programs, Telangana exhibits high saturation in PRI training, digital GPDP preparation, and online reporting; Karnataka, on the other hand, has historically strong training infrastructure but shows lower annual intensity because of its more developed governance environment (NIRDPR, 2023).

Further nuance is added by the Standing Committee Report (2025), which notes Karnataka's slower progress in digital compliance, with only 4,545 of 5,948 Gram Panchayats uploading their GPDs for the period 2024–2025. Meanwhile, it highlights Telangana's outstanding compliance, noting that online auditing and GPD uploads meet all eligibility requirements for Finance Commission grants. The Committee also notes ongoing structural issues with Telangana's fiscal decentralisation, including a strong reliance on linked grants and delays in the State Finance Commission reports.

Empirical studies offer additional insight into governance outcomes on the ground. Field research from Karnataka shows improvements in drinking water provision, school infrastructure, street lighting, and MGNREGA implementation, although sanitation and rural roads remain problematic in nearly 70% of villages (IJAR, 2024)

Strong participatory governance practices, such as higher Gram Sabha attendance, improved committee operations, and increased accountability, are confirmed by the JRD Karnataka Study (2018), which highlights Karnataka's deeply ingrained culture of decentralisation.

In contrast, Telangana's empirical results show rapid advances in digital grievance systems, waste management, and sanitation; however, service delivery varies significantly across districts. The state's substantial administrative capability and partial fiscal and functional devolution are consistent with these inconsistent outcomes.

Evidence from marginalised communities further highlights the role of empowered Panchayats in shaping development outcomes. The potential of decentralised institutions to improve socio-economic wellbeing when they have sufficient authority and resources is demonstrated by a study on MGNREGA's impact among Scheduled Tribes, which shows how active Panchayat involvement reduces distress migration, increases livelihood security, and enhances asset creation (Keshlata & Fatmi, 2015).

Lastly, previous evaluations from PRIA (1998) demonstrate that participatory institutions thrive when Panchayats have autonomy and functional clarity, which explains Telangana's ongoing attempts to overcome past administrative centralisation and Karnataka's significant community participation.

When combined, the empirical data indicate that Telangana's rapid administrative reform trajectory and Karnataka's extensive institutional experience have yielded

different decentralisation outcomes. While Telangana's innovations in digital governance and administrative capacity building show a rapidly modernising system with tremendous promise, developing autonomy, Karnataka's long-term structural investments consistently provide functional, fiscal, and participatory outcomes. These patterns of data support the comparison conclusions and demonstrate the complexity of India's decentralisation transition.

## **VII. Empirical Evidence Integration**

### ***1. Early Institutional Assessments (1998–2011)***

Early studies provide the foundational understanding of decentralisation performance in India. PRIA (1998) noted the strong public involvement in Karnataka and the historically weaker participatory culture in the regions that currently make up Telangana, emphasising that participatory institutions like Gram Sabhas work well only when Panchayats have actual authority. (PRIA, 1998).

The IIPA National Assessment (2010–11), which discovered that several states devolved “subjects rather than activities,” resulting in functional overlap with line departments, supported this. Andhra Pradesh without division. The precursor of Telangana was particularly criticised for its dependence on parastatal organisations that oversaw Eleventh Schedule operations and its restricted activity-level devolution (IIPA, 2010–11).

### ***2. Karnataka's Mid-Term Empirical Strengthening (2018–2020)***

Micro-level research has provided enough evidence of Karnataka's institutional depth. A highly institutionalised participatory governance culture was demonstrated by the JRD Karnataka Study (2018), which found notable increases in Gram Sabha attendance, committee functioning, meeting frequency, and the implementation of accountability mechanisms. In contrast to Telangana's reliance on linked funds and an administrative structure that is still stabilising following state formation, Karnataka has greater fiscal autonomy, higher own-source revenue, improved SFC functioning, and a professional PDO cadre, according to the IIPA's 2020 research.

### ***3. Karnataka's Service Delivery Outcomes (2024)***

Karnataka's advantages and disadvantages are supported by recent field-level data. High levels of satisfaction with drinking water, education, and street lighting were

noted in the IJAR (2024) research; however, approximately 70% of the communities polled experienced ongoing problems with rural roads and sanitation (IJAR, 2024). These results indicate that sector-specific challenges in service delivery persist even in robust decentralisation regimes.

#### ***4. Telangana's Post-2018 Reform Trajectory (2018–2023)***

After the Telangana Panchayat Raj Act (2018) was passed, Telangana hastened institutional changes. Telangana's high PRI training saturation, robust digital GPDP preparation, and extensive online reporting usage are highlighted in the NIRDPR Annual Report (2022–2023), which reflects the influence of its Hyderabad-based training institutes (NIRDPR, 2023). Even though Telangana's functional and financial autonomy remained restricted, these advancements established the state as a pioneer in e-governance and in the creation of administrative capacity.

#### ***5. Evidence from the Devolution Index 2024***

The most thorough comparative measurement of decentralisation is offered by the DI 2024. With a composite score of 72.23, Karnataka ranks first and performs well across functions, finances, functionaries, and accountability. Telangana is ranked 16th, scoring worse in functional and fiscal devolution but outstandingly in Institutional Capacity Building (86.19) (IIPA, 2024). These ratings provide factual support for Telangana's administrative emphasis and Karnataka's structural depth.

#### ***6. National Oversight Findings (2025)***

More recent evidence is provided by the Standing Committee Report (2025), which notes that while Karnataka lagged behind with only 4,545 out of 5,948 Panchayats submitting GPDPs for 2024–2025, Telangana fully complied with digital auditing and GPDP uploads, meeting all XV Finance Commission requirements (Standing Committee, 2025). The Committee also highlighted Telangana's fundamental fiscal decentralisation issues, including its excessive reliance on linked funds and delayed SFC reports.

#### ***7. Evidence from Welfare and Tribal Development Studies (2015–2024)***

Empowered PRIs dramatically lower distress migration, boost livelihood stability, and enhance community asset building, according to research on MGNREGA's effects among Scheduled Tribes (Keshlata & Fatmi, 2015). This supports the

idea that when Gram Panchayats have actual functional and financial authority, decentralisation yields the greatest socioeconomic advantages.

### VIII. Discussion

A comparative analysis of Telangana and Karnataka reveals the various historical, political, and institutional channels through which decentralization has developed in India. Karnataka's long-standing reforms have created a deeply ingrained decentralisation system with strong functional clarity, dependable budgetary transfers, stable administrative cadres, and active participatory procedures. Karnataka's Panchayats have evolved into effective and responsible entities that consistently perform well across key governance indices, thanks to decades of political commitment and early adoption of activity mapping. This approach demonstrates how local government is strengthened, and service delivery results are maintained through institutional continuity.

Rapid administrative modernisation and post-2014 reform have changed Telangana's direction. Telangana has rapidly developed a high-capacity administrative structure through the implementation of universal Panchayat Secretaries, substantial digital governance technologies, and intensive capacity-building initiatives. These accomplishments show how technology-enabled decentralisation and skilled local employment may have revolutionary effects. However, the study also shows that unequal participatory participation, limited fiscal autonomy, and limited functional transfers cannot be made up for by administrative innovation alone. The example of Telangana highlights the significance of resolving legacy restrictions carried over from undivided Andhra Pradesh, where the Panchayat authority was traditionally restricted by line department oversight and parallel organisations.

Based on data from both states, the success of decentralisation appears to be influenced by three interrelated factors: administrative capability, institutional architecture, and the historical depth of change. While Telangana excels in digital systems and administrative restructuring, Karnataka benefits from a long-term institutional building horizon. Despite these advantages, each state has unique problems, such as Telangana's insufficient functional devolution and fiscal reliance on linked funds, and Karnataka's sectoral service gaps and recent failures in digital compliance.

These results also reflect the broader national environment, where decentralisation remains a complex and dynamic process. On paper, reforms

often appear comprehensive, but their actual implementation is shaped by local governance cultures, bureaucratic practices, and political objectives. The contrast demonstrates that true devolution of powers cannot be replaced by technological progress, and institutional maturity cannot be developed quickly. Deepening grassroots democracy and bolstering Panchayati Raj institutions throughout states requires a long-term, balanced strategy that incorporates administrative, structural, and participatory reforms.

## **IX. Conclusion**

The comparative study of Telangana and Karnataka reveals how institutional structures, reform agendas, and historical legacies collectively shape the development of decentralisation in India. The example of Karnataka highlights the need for a long-standing, deeply ingrained decentralisation framework, in which Gram Panchayats have been able to function as sophisticated grassroots government organisations thanks to clear operational frameworks, robust budgetary systems, and participatory traditions. The state's institutional depth demonstrates how early political commitment, consistent activity mapping, and skilled administrative cadres can sustain good performance across multiple devolution pillars.

Telangana's journey exemplifies the vibrancy of a reform-focused system that has adopted digital governance, strengthened Panchayat personnel, and rapidly expanded administrative capacity. The post-2018 changes have enhanced planning, monitoring, and reporting procedures while modernising rural government. However, the state still faces obstacles stemming from restricted activity-level devolution, linked budgetary transfers, and uneven participation, suggesting that to fully empower Gram Panchayats, administrative improvement must be combined with greater functional and fiscal autonomy.

The results of this study indicate that decentralisation functions optimally when financial design, functional assignments, structural modifications, and community engagement are all complementary. While Karnataka's progress demonstrates the benefits of ongoing institutional consistency, Telangana's development shows how targeted modernisation may rapidly boost administrative effectiveness. When combined, these two models offer valuable insights for India's decentralisation agenda: Karnataka's long-term institutional depth and Telangana's administrative innovation and technological adoption are essential for the long-term empowerment of Gram Panchayats.

The results confirm that enhancing Panchayati Raj Institutions requires more than legal frameworks; it also requires political will, sustained resource allocation, clear functional mandates, effective administrative mechanisms, and significant public involvement. As states continue to pursue reforms, the lessons from Karnataka and Telangana provide important guidance for building responsive, inclusive, and development-oriented local governance across India.

## X. Policy Recommendations

States must explicitly transfer activities, not just topics, to Gram Panchayats through updated activity mapping to strengthen decentralisation. They must also ensure predictable revenue flows by increasing untied grants and implementing the State Finance Commission's recommendations. While Karnataka needs to close loopholes in digital compliance, Telangana must improve its own source of revenue and reduce its dependency on connected funds. Telangana must reduce its reliance on tied funds and strengthen its own source revenue, whereas Karnataka should address gaps in digital compliance.

Parallel bodies performing Panchayat functions should be phased out, allowing funds and responsibilities to flow directly through PRIs. Stronger social audits and greater inclusive participation by women and underprivileged groups are necessary to restore Gram Sabha participation. Professional staffing changes can create a more capable local cadre by fusing Karnataka's PDO system with Telangana's universal secretary model.

In addition to increased connectivity and training, digital platforms like e-Gram Swaraj and PFMS must be more deeply integrated into local decision-making processes. By integrating distinct service delivery indicators into GPDPs, panchayats should spearhead convergence across programs such as MGNREGA, NRLM, SBM, and JJM. Grassroots democracy will be further strengthened by implementing Panchayat performance scorecards and initiating a nationwide Decentralisation 2.0 mission centred on digital infrastructure, autonomy, and capacity building.

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