India is society time immemorial believes in decentralization. Its oldest literature refers ‘panch’ means five, implies importance of group of person for any political decision and rendering justice. This implies that super power can’t be enjoyed alone, but shared amongst equals. On this basis old ages rulers were administering important affairs with delegating power to local subordinates. King Akbar in 16th century introduced land and revenue reforms with help of well represented ministry known as ‘nine gems’ and delegated executive powers to local bodies.

After independence from the British rule, in the year 1947, the nation adopted republic democratic parliamentary system and adopted its basic charter to run affairs of the nation on 26th January 1950, the Constitutional Law of India (CLI). CLI is unique in many ways, set forth federal structure of the country. It has powerful Union at Centre and HAVE 28 States and 6 Union territories. The powers (legislative and executive) are distributed amongst Union and States in three lists. Items mentioned in List 1 and 2 respectively for Union and State, while the list 3 is ‘concurrent’, means both Union and State enjoy the power to legislate and execute item mentioned in the list. Interestingly there is no similar federal hierarchy in judiciary; apex is SUPREME COURT and High Court for each state.

In modern society, decentralization is taken as tool to achieve following objectives:

- enable efficient allocation of resources,
- improve governance,
- accelerate economic growth,
- reduce poverty,
- achieve a gender balance and
- empower weaker sections of society (women, backward class people)

Indian government, despite of any political ideological differences and parties, always honoured democracy as said Lincoln ‘by the people’ ‘for the people’ and ‘of the people’. Therefore all national leaders by spirit desired people at all layer should share power. CLI had envisaged (Article 40) that "the State shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." Constitution makers took sufficient care that power be delegated to bottom level people at shop floor. In 1960s a commission was appointed under chairmanship of Balwantrai Mehta to see and explore how Panchayati raj can be made possible.

To make workable directive as above constitution was amended (73 and 74th) to give effect to provision of Article 40. This Amendment, dated 24 April 1993, directed all state legislatures to amend their respective Panchayat legislation to conform to the Constitution Amendment, within one year. All the states complied and adopted new Panchayat legislation by 23 April 1994. By April 1995 all the states were expected to complete decisions on new Panchayats - and those who delayed ran the risk of losing central government assistance, as announced by the Prime Minister.

This provision of the Constitution was primarily advisory. In the following four decades, some sporadic and indifferent steps were taken by some of the state governments to organise Panchayats; but they were invariably denied any meaningful powers and authority and, worst of all, the elections were seldom held at 5-year intervals as required. This deplorable state of affairs was an affront to the Constitution (Article 40) and there was growing demand in the country for a definite constitutional mandate to secure periodical and regular elections to Panchayats just as in
the case of Parliament and State Assemblies. However, subsequently many States have installed and few of the states also instilled confidence in local people to make workable the PRI.

The Indian federal structure has got mixed economy. Federalism in India is characterized constitutional demarcation of revenue and expenditure powers between the two levels of government by the institutional structure of multilevel provision of public services. Local Governments (PRIs) are delegatees of States.

CONSTITUTION LAW OF INDIA

*UT – Union Territories

The States (sub-national government) has been assigned power and responsibility on items like health, labour, town development, infrastructure, agriculture and many local issues like land, water & sanitation, road, property, law and order etc. State has power to collect taxes on the subject mentioned in the list, while taxes collected by Union is shared amongst various State on different counts. (I will discuss that in subsequent assignment Module 2 & 3). States have further delegated power to local governments at village, town, and city level. Again blocks of villages (known as Taluks) and blocks of Taluks (known as District), Urban Development Authorities has been assigned local tasks for better management of their affairs. (I will discuss in module 4 & 5).

Center is enjoying super power in items like finance, defense, foreign currency, national matters and foreign affairs. In ordinary situation in the Federal structure, Center is weak in rest of the matters. But in emergency situation, Center becomes Unitary and powerful subject to cross checks by Parliament and Supreme Court. Emergency can be imposed in war, financial crisis or constitutional crisis.

THE CHALLENGES AND ACHIEVEMENTS IN THE DECENTRALIZATION PROCESS
The task before any level of government in decentralisation process is crucial and numerous factors make it a success or otherwise, but important factors that inhibits decentralization are:

1. Poverty
2. Illiteracy
3. Corruption
4. Limited resources
5. Religious, caste, race based ideology and culture
6. Substandard politicians (criminalisation of politics)
7. Lack of nationalism
8. Indifference

In spite of inhibitors as mentioned above and other variable not mentioned, decentralisation in India worked well in given restrictions. The effect of decentralisation seems uneven in different part of the country, region wise, and segment wise, state wise and on different counts. State like Bihar and Orissa or Eastern States are still not at par with State like Gujarat, Andhra Pradesh, Karnataka, Punjab or Maharashtra. Few urban pockets are developed to its fullest extent, while interior villages are still waiting for basic amenities like water, road and transport. Marginal Farmers and landless labours are still living on mercy of rainfall because of lack of irrigation facilities and unemployment. Starvation death are common in few parts of the country, suicide by thousands of farmers made government fall in recent elections and so on. This is darker side of failure of decentralisation and lack of percolation and uniform distribution of fruit of the process.

Even though, population below poverty line is reduced, life expectancy is raised, literacy level is increased, roads and infrastructure facilities has been improved, living conditions has gone up, awareness level is up, Television, Telephone, Internet users has gone up. In over all improved situation, it can be inferred that decentralisation has worked well, as people at local level know their problem in better manner and are able to solve at better pace.

**THE SUGGESTIONS HOW THE INTERGOVERNMENTAL FISCAL SYSTEM MAY BE IMPROVED**

In challenging environment, there is hope of coming out of situation because there is fresh and new air in the environment. Young people are taking part in active politics; they have openness in understanding problems and hence better solution. Young one should be encouraged to serve people by using their knowledge and skill. Their mind set is more adaptive and hence observe what happens in other part of the world, more particularly towards advanced nations. They can think globally and act locally, as local conditions are required to be understood first before implementing a foreign concept.

Literacy plays an important part in making the society economically and otherwise sound. Use of knowledge, skill, technology and aptitude blend with positive attitude may enhance pace of development. Uplifting moral standard, nationalistic approach and harmonization in locals but conversation and dialogue with foreign counter parts may help achieving objectives of decentralization.

Use of technology increase transparency, reduce level of corruption, more accuracy, and high speed, connectivity, networking and exchanging view in different part of world may help achieving objectives of decentralization. It helps in reducing poverty and increase literacy. All this has cascading effect on better social and economic conditions.