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Punjab Seeks Special Category Status

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The State government of Punjab has asked the Centre to grant it special category status under the Pradhan Mantri Rashtriya Swasthya Suraksha Mission.

- The State government has pointed out that the State, which shares international border with Pakistan, has become a victim of a proxy war waged by the neighbouring country using drugs as its silent weapon.
- Putting Punjab under the special category States would make it eligible for higher grant from the Centre.

What is Special Category Status (SCS)?

- Special category status is a classification given by the Centre to assist development of states that face geographical and socio-economic disadvantages.
- This classification was done on the recommendations of the Fifth Finance Commission in 1969.
- The parameters for SCS were -
 - hilly terrain;
 - low population density and/or sizeable share of tribal population;
 - strategic location along borders with neighbouring countries;
 - economic and infrastructure backwardness; and
 - nonviable nature of State finances.
- SCS was first accorded in 1969 to Jammu and Kashmir, Assam and Nagaland. Since then eight more states have been included (Arunachal Pradesh, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura and Uttarakhand).

Benefits to States with SCS

- The Centre pays 90% of the funds required in a centrally-sponsored scheme to special category status states as against 60% or 75% in case of other states, while the remaining funds are provided by the state governments.

- Unspent money does not lapse and is carried forward.
- Significant concessions are provided to these states in excise and customs duties, income tax and corporate tax.

14th Finance Commission on SCS

- The 14th Finance Commission has done away with the 'special category status' for states, except for the Northeastern and three hill states.
- Instead, it suggested that the resource gap of each state be filled through 'tax devolution', urging the Centre to increase the states' share of tax revenues from 32% to 42%, which has been implemented since 2015.

Pradhan Mantri Swasthya Suraksha Yojana

- It was launched by Ministry of Health & Family Welfare in March 2006.
- The scheme aims to correct regional imbalances in the availability of affordable/ reliable tertiary healthcare services and also to augment facilities for quality medical education in the country.
- It has two components:
 - Setting up of AIIMS like institutions.
 - Upgradation of Government medical college institutions.