



Special Status | Bihar | 08 Jun 2024

Why in News?

In the aftermath of the [General Elections](#), the **Janata Dal (United)** and the **Telugu Desam Party** have emerged as influential players in government formation at the Centre.

- Their renewed emphasis on securing [special category status](#) for **Bihar and Andhra Pradesh** has reignited discussions on this crucial issue.

Key Points

- **Special Category Status** is a classification provided by the Central government to support the development of states facing **geographical and socio-economic challenges**.
 - Currently, 11 States in India have SCS which are **Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, and Uttarakhand**.
- Special category status offers benefits to designated states such as **enhanced funding, with 90% of funds for centrally-sponsored schemes provided by the Centre**.
 - These states can carry forward unused funds from one fiscal year to the next and enjoy tax concessions. They also receive a higher allocation from the Centre's Gross Budget, amounting to 30%.

Special Category Status (SCS)

- The Constitution does not make a provision for SCS and this classification was later done on the recommendations of the **5th Finance Commission** in 1969.
- Status was first accorded to Jammu and Kashmir, Assam and Nagaland in 1969.
- SCS for plan assistance was granted in the past by the National Development Council of the **erstwhile Planning Commission**.
- SCS is different from **Special status which imparts enhanced legislative and political rights**, while SCS deals with only economic and financial aspects.