

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. †1821

TO BE ANSWERED ON MONDAY, July 31, 2023/ Sravana 9, 1945 (Saka)

SPECIAL STATUS TO BIHAR

†1821. SHRI GIRIDHARI YADAV

Will the Minister of FINANCE be pleased to state:

- (a) whether Bihar is one of the most backward States of the country with the lowest per capita income and that the Government of Bihar has been demanding to accord special status to the State for more than fifteen years from the Government but till now the status of special State has not been accorded to it;
- (b) if so, whether the Government proposes to accord special status to Bihar and bringing it into the main stream of the country;
- (c) if so, the details thereof and the time by which the special status is likely to be given; and
- (d) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Special Category Status for plan assistance was granted in the past by the National Development Council (NDC) to some States characterized by several features necessitating special consideration. These features included (i) hilly and difficult terrain, (ii) low population density and/or sizeable share of tribal population, (iii) strategic location along borders with neighboring countries, (iv) economic and infrastructural backwardness and (v) non-viable nature of state finances. The decision was taken based on an integrated consideration of all the factors listed above and the peculiar situation of the State. Earlier, the request of Bihar for Special Category Status was considered by an Inter-Ministerial Group (IMG) which submitted its Report on 30th March, 2012. The IMG came to a finding that based on existing NDC criteria the case for Special Category Status for Bihar is not made out.

Further, as per the Fourteenth Finance Commission recommendations, the Union Government increased the share of net shareable taxes to the States from 32% earlier to 42%

for the period 2015-20. The Fifteenth Finance Commission has also retained the same at 41% (1% adjusted on account of the creation of UT of J&K) for the period (2020-21 & 2021-26). The objective has been to fill the resource gap of each State to the extent possible through tax devolution. Also, post-devolution revenue deficit grant is provided to States where devolution alone could not cover the assessed gap.
