

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:674  
ANSWERED ON:21.11.2001  
SPECIAL CATEGORY STATES  
KUMUDINI PATNAIK

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Government propose to modify the conditions laid down for declaration of Special Category State;
- (b) if so, the details thereof;
- (c) whether the Government propose to declare Orissa a Special Category State; and
- (d) if not, the manner in which the Central Government plan to assist the poorest State like Orissa by extending them the benefit of Special Category State for sustainability of their financial positions?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF SMALL SCALE INDUSTRIES, AND MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENT OF ATOMIC ENERGY AND DEPARTMENT OF SPACE (SHRIMATI VASUNDHARA RAJE)

a) Yes, Sir.

(b), (c) & (d) The issue of modifying the conditions laid down for declaration of a State as a Special Category State has to be examined in the context of revision of Gadgil Formula which is the basis for inter-state allocation of Central Assistance. The revision of Gadgil Formula for allocation of Central Assistance, and change in the criteria for classification of Special Category Status was considered in the full Planning Commission meeting held on 27th and 29th June, 2001, and it was felt that given the difference of opinion among the State Governments, and the sensitivity of this issue, it was necessary to discuss it further and evolve a consensus before alternatives are considered by NDC. It was agreed, therefore, that this agenda would be taken up separately. Subsequently, NDC meeting was held on 1st September, 2001 wherein it took note of suggestions made for looking into the criteria for granting special category status to some States and it was agreed that these should be examined.