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POLITY AND GOVERNANCE

CENTRE RULES OUT MSP LAW, INVITES FARMERS TO TALKS

CONTEXT: Farmers held protests led by the Samyukt Kisan Morcha – Non-Political (SKM-NP), a splinter group of the Samyukt Kisan Morcha (SKM), and the Kisan Mazdoor Morcha (KMM) escalated into a full-blown conflict with the security forces at various points on the Haryana-Punjab boundary.



The Union government categorically rejected announcing a guaranteed minimum support price (MSP), the key demand of the farmers. More than 60 farmers were injured in the lathi charge and firing of rubber bullets and tear gas shells on them by the police. More than 100 barricades with barbed wires were set up between a seven km stretch on the Singhu border, in Kundli in Haryana. Teams of the Delhi Police and CAPF, RAPF were also deployed strategically at all points along with anti-riot gears.

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INTERNATIONAL RELATIONS

'SPECIFIC DURATION' CLAUSE IN DRAFT INDIA-EFTA PACT MAY AFFECT DRUG INDUSTRY

CONTEXT: A clause in a draft free trade agreement text being negotiated between India and the European Free Trade Association (EFTA) could delay access to affordable, generic versions of patented drugs in India by a minimum of six years.



A leaked draft of the Trade and Economic Partnership Agreement (TEPA) require signatories to include a “specific duration” during which applicants seeking consent from their country’s regulators to sell a drug would not rely on “undisclosed test data” to gain market approval for at least six years.

The “signatories”, here, refer to the countries and “applicants” being the pharmaceutical companies. The “undisclosed test data”, in this case, is on the drug’s efficacy and impact on people.

There is also a line in the draft, which is available on the website bilaterals.org, that suggests this should apply not only to ‘new’ chemical drugs but also a class of drugs called ‘biologics drugs,’ — monoclonal antibodies, vaccine formulations — that involve complex mixtures of organic and inorganic entities, and are harder to make copies of. Many Indian biotechnology companies are developing biologics drugs.

India, which has over decades, mushroomed a thriving generics drug industry has resisted attempts by foreign pharmaceutical companies to extend monopoly rights over patented drugs.

India’s generic drug industry has over the years made affordable versions of expensive drugs and become a large global supply itself. The Indian pharma industry is the third largest in the

world and produces over 60,000 generic drugs across 60 therapeutic categories and had an annual turnover of ₹3.4 lakh crore.

Unavailability of drugs

Patented drugs give exclusive marketing rights to the inventor, or whoever files for the patent first, for 20 years. This has often resulted in essential drugs and medicines being unaffordable in several countries, including in India. Under internationally accepted provisions of compulsory licensing, Indian law allows drug maker to reverse-engineer and sell generic, or copy-cat versions of the drug, after only three years of it being patented in India.

ECONOMICS AND DEVELOPMENT

FOOD PRICES MAY KEEP INFLATION HIGH

CONTEXT: A slight downtick in food price inflation may have cooled retail inflation to a three-month low of 5.1% in January, but most economists don't expect the pace of price rise faced by consumers to slip much further in the near term with prices of vegetables, cereals and pulses still elevated.

A brief respite

The drop in retail inflation in January is seen as temporary with prices of vegetables, cereals and pulses still elevated



- Economists say high frequency vegetables price data so far suggest inflation may not fall any further
- Prices of vegetables and other food items have held firm through the first 10 days of the current month
- Last week, RBI Governor Das had cautioned that food price shocks may interrupt the disinflation process

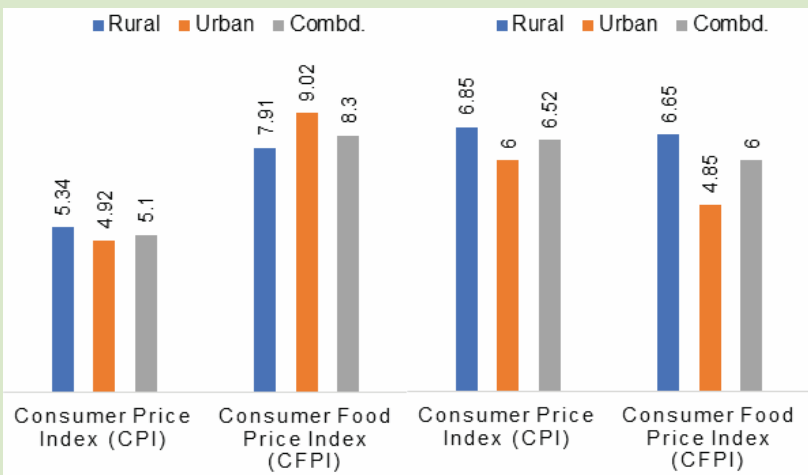


FIGURE: Column chart representation of the All-India year-on-year inflation rates (%) based on CPI (General) and CFPI: January 2024 (Prov). (R) Column chart representation of the All-India year-on-year inflation rates (%) based on CPI (General) and CFPI: January 2023

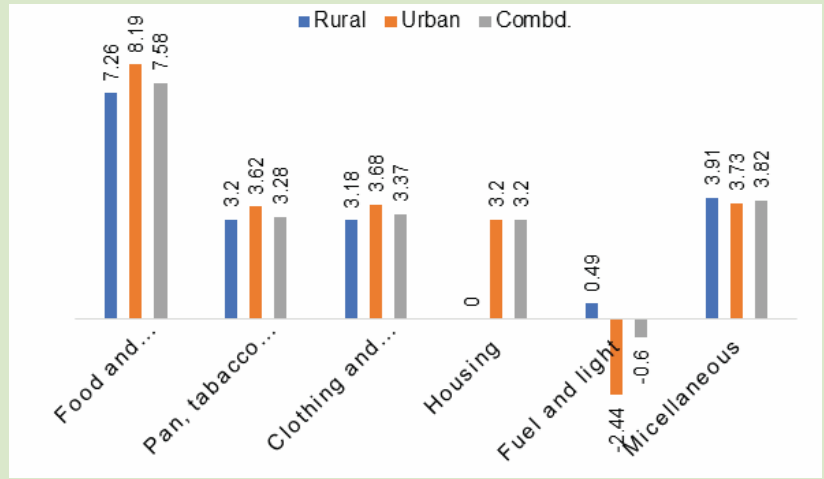


FIGURE: Column chart representation of the All-India year-on-year inflation rates (%) for General, Group and Sub-group level CPI and CFPI numbers for January 2024 (Provisional) for Rural, Urban and Combined (Base: 2012=100).

Last week, RBI Governor Shaktikanta Das had cautioned that “recurring food price shocks could interrupt the ongoing disinflation process, with risks that it could lead to de-anchoring of inflation expectations and generalisation of price pressures.”

SBI group chief economic advisor Soumya Kanti Ghosh said that evolving food prices will determine domestic inflation and retail inflation is expected to remain slightly above 5% in the remaining two months of 2023-24. The Reserve Bank of India (RBI) has projected an average inflation of 5% for this quarter.

ECONOMICS AND DEVELOPMENT

GOVT. EYES EXPANSION OF HSN CODES FOR RICE TO LIMIT EXPORT CURBS

CONTEXT: The Commerce and Industry Ministry is weighing the merits of expanding the codes of classification (HSN codes) for rice.



The HSN coding for non-basmati rice, traditionally not consumed in the country can be separated from the popular staple variety of non-basmati white rice and excluded from export curbs when restrictions. The government has temporarily banned all categories of non-basmati white rice exports. At present, there are just six HSN codes for non-basmati rice while there are 30-40 varieties of such rice grown in the country.

Demand from industry

There is a demand from the industry for new HSN codes for other varieties of rice. When we ban non-basmati white rice, all varieties get banned, whether it is sona masuri, govind bhog and kala namak or the normal non-basmati white rice.

As a country, on one hand we will not like to impose ban on rice varieties which we are not much worried about (in terms of

domestic shortages). At the same time, we would need to see there is enough incentive for farmers to keep on producing the normal variety of rice, which is the core staple diet of the country.

Agricultural and Processed Food Products Export Development Authority (APEDA) is working on separate HSN codes for GI (Geographical Indications) rice varieties like red rice, black rice and kalanamak rice.

The country's agriculture exports may decline by 9 % this year primarily due to restrictions on exports of rice, sugar, and wheat, as per APEDA. The Red Sea crisis may have some impact on India's basmati exports this year to the EU and Egypt but the country's primary exports to West Asia will not be hampered.

INTERNATIONAL RELATIONS

OLD-FASHIONED TRUST AND CREDIBILITY BIND INDIA-UAE TIES

CONTEXT: At a time when diplomacy is widely regarded as transactional, the deeply personal relationship between Prime Minister Narendra Modi and Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates (UAE) stands out as something of an old-world construct.

Strengthening economic ties

Mr. Modi is also expected to kick off the much-anticipated Bharat Mart, a key initiative of Dubai-based DP World and India's Ministry of Commerce and Industry to boost exports of Indian Micro, Small and Medium Enterprises by providing them retail, warehousing and logistics facilities in Dubai's Jebel Ali Free Zone Area. DP World will build around 800 showrooms and 18 warehouses over the next 24 months on a 1.3 million square feet plot to allow Indian manufacturers of machinery, electrical and electronics products, auto components, medical equipment, furniture, apparel, processed foods, pharmaceuticals, cosmetics, and handicrafts to showcase their products and access buyers and markets in Iran, Central Asia, Africa and the Middle East.

The Bharat Mart project comes on the heels of the ambitious India-UAE Comprehensive Economic Partnership Agreement (CEPA) which completed its first year in 2023 and has already seen India's trade with the UAE grow by 16% to \$85 billion. In doing so, it has reinforced the UAE's position as India's third largest trading partner and second largest export destination.

The unique combination of CEPA and the Bharat Mart has the potential to provide a strong impetus to export of India's manufactured goods even as the initial steps to start trading in national currencies promise to reduce transaction costs. The memoranda of understanding signed at the bilateral engagement would also further strengthen the economic relationship between India and the UAE.

There are several other major achievements for which the two sides can legitimately take credit. The Indian Institute of Technology Delhi has begun its master's programme in energy transition and sustainability at its interim campus in Abu Dhabi. Rising investments from the UAE have made it the fourth highest source of foreign direct investment into India in 2022-23. The Abu Dhabi Investment Authority (ADIA) will soon open an office in GIFT City, Gujarat. A 14-year deal, by Indian Oil Corporation Limited, to buy 1.2 million metric tonnes per annum of liquefied natural gas from the Abu Dhabi National Oil Company during 2026-39 has been signed to boost India's energy security. And, discussions on several sensitive areas of defence cooperation are making good progress.

Regional issues

The talks between Mr. Modi and Sheikh Mohamed bin Zayed also provided an opportunity to review the deteriorating situation in the region in the context of the ongoing war in Gaza, the attacks by Houthis on shipping in the Red Sea, and the clear and present danger of an escalation. Longer shipping times, higher freight costs and a possible hike in oil prices can

INTERNATIONAL RELATIONS

HOMeward BOUND

CONTEXT: Eight men — seven senior retired naval officers, and a sailor — who worked for the Qatar-based Dahra technologies, were arrested in 2022.

Unofficial sources suggest the men had been accused of espionage, possibly for a third country, namely Israel. All eight were awarded the death penalty. An appeals court did, in December, commute the death penalty to imprisonment terms, but upheld the conviction. It is to the government's credit that it was able to bring about the release of all the eight, seven of whom have now returned. The success seems attributable to the strategies New Delhi employed: to pursue the case in court, showing respect to the Qatari legal system, while providing the accused with full legal support and counsel; avoid all escalatory rhetoric and public sparring; and, to take the case to the highest levels, with Prime Minister Narendra Modi discussing it with the Qatari Amir, Sheikh Tamim bin Hamad Al-Thani, during a meet in Dubai in December.

The Qatar case is a timely reminder of the importance of quiet diplomacy at a time of brinkmanship and geopolitical conflict, particularly when it comes to relationships where so much else is at stake. For India, Qatar is an important West Asian power, with increased heft during the Israel-Gaza conflict as an important interlocutor between the West and Hamas. For Qatar, ties with India are historic and dependable, consistent even when Qatar was boycotted by its Gulf neighbours some years ago. Qatar supplies India with a third of its natural gas import needs, and the signing of a \$ 78 billion LNG deal last week may have been an early sign that the deal for the prisoners' release had been sealed by then. More than 8,00,000 Indians provide important services to Qatar and bring in critical remittance earnings for India. New Delhi's decision not to seek international intervention, as it did in the case of former naval commander Kulbhushan Jadhav, who has been convicted of espionage and terror charges in Pakistan, nor to counter Qatar's charges with the kind of harsh diplomatic countermeasures seen in the aftermath of the Nijjar assassination case in Canada, eventually provided an outcome satisfactory for all.



"Education is the ability to listen to almost anything without losing your temper or your self-confidence." - Robert Frost

pose a significant risk to India's economic growth, and it is important that the government coordinates closely with a key regional player such as the UAE, along with countries such as Saudi Arabia and Egypt to make sure that India's interests are protected.

POLITY AND GOVERNANCE

ON THE RIGHTS OF FOREST-DWELLERS

CONTEXT: In 1990, the Union Ministry of Environment and Forests (MoEF) had ordered that all forest villages be converted to revenue villages.



The FRA, enacted 18 years ago, also required all forest villages to be converted to revenue villages. During conversion, “the actual land use of the village in its entirety, including lands required for current or future community uses, like schools, health facilities and public spaces,” were to be recorded as part of the revenue village. These rights continue to be denied to date. Strangely, 21 roads 147.1 km long have also been excluded from the notification, as if such exclusion is required for them to remain in use. This is not so by law.

As of 2016, Tamil Nadu had 736 forest villages with a population of 23,125 on record. Of them, 7,764 were from Scheduled Tribe (ST) communities. The corresponding all-India figures are 4,526 forest villages with a population of 22 lakh, with 13.3 lakh from ST communities. There are more unrecorded forest habitations.

The notification that created the sanctuary concedes that the rights admitted under the Tamil Nadu Forest Act 1882 — a time when forests were reserved — and those conferred under the FRA “shall remain and continue to be enjoyed by the persons concerned”. The issue here is that Tamil Nadu has been one of the most laggard States in implementing the

FRA in the country.

What are the rights in the new Sanctuary?

Cattle-grazers can no longer graze in the Thanthai Periyar Sanctuary. Bargur cattle, a traditional breed native to the Bargur forest hills, may now be prevented from accessing their traditional grazing grounds. In March 2022, the Madras High Court revised an older order imposing a total ban on cattle grazing in all the forests of Tamil Nadu and restricted the ban to national parks, sanctuaries, and tiger reserves. Tamil Nadu is the only State in the country where there is such a ban. This order is despite the FRA, which, aside from other community rights, recognised “grazing (both settled or transhumant) and traditional seasonal resource access of nomadic or pastoralist communities” in all forests, including in national parks, sanctuaries, and tiger reserves. Grazing rights are community rights of the habitation-level villages and are to be regulated by their gram Sabhas.

Of Tamil Nadu's land, 26,419 sq. km or 20.3% is under notified forests. The recorded forest area is a bit higher, around 23.7%. Some 6% of the State is under Protected Areas, with five national parks and 34 sanctuaries (half of which are bird sanctuaries). The State has constituted five tiger reserves in these Protected Areas. The 801-sq.-km Thanthai Periyar Sanctuary joins them now.

What does the WLP Act 1972 provide?

Sanctuaries and national parks are notified under the Wildlife (Protection) Act (WLP) 1972. People inside sanctuaries continue to enjoy all their rights unless prohibited, but they don't in National Parks. No new rights are permitted once the notice of intent is issued. The Collector is to inquire into the rights of all persons, their nature and extent, in the proposed sanctuary or national park. Then, the Collector's office has to decide whether to admit the claims in sanctuaries and to acquire all rights in national parks. The law mandates similar procedures when some land is initially notified as forest. But governments have not followed them.

While courts routinely condone these violations, they have become entrenched within the forest department since the start of the colonial era, with the forest bureaucracy inheriting the same tendencies. In addition, the Indian Forest Act 1927 and its clones, such as the Tamil Nadu Forest Act 1882, the WLP, the Forest (Conservation) Act 1980, and the Compensatory Afforestation Fund Act 2016 are all erected on this colonial edifice.

How was the Forest Rights Act established?

A dam of anger ruptured around the nation after the MoEF misinterpreted a Supreme Court order and, in May 2002, required States “to evict ineligible encroachers and all post-1980 encroachers from forest lands in a time-bound manner”. In 2004, the MoEF acknowledged in an affidavit to the Supreme Court in Godavarman versus Union of India that “the historical injustice done to the tribal forest dwellers through non-recognition of their traditional rights must be finally rectified”.

In 2006, the Indian government enacted the FRA to explicitly undo this “historical injustice” resulting from the inadequate recognition of “forest rights on ancestral lands and their habitat ... in the consolidation of State forests during the colonial period as well as in independent India”. The FRA

requires and authorises the gram Sabhas to determine and recognise forest rights, and protect and preserve the forests, wildlife, and biodiversity within their customary and traditional boundaries, including inside Protected Areas. These responsibilities were earlier vested with the Forest Department.

How do FRA and WLPA compare?

Being a later law, the FRA overrides the WLPA. All provisions in the WLPA that contravene provisions in the FRA are null and void. As a result, when notifying a Protected Area under the WLPA, the government needs to determine rights under the FRA and acquire the consent of the gram Sabhas.

The government specifically incorporated these requirements in a 2006 amendment vis-à-vis the notification of tiger reserves.

The FRA became operational when its Rules were notified in January 2008. Since then, until 2023, the country has acquired 15,605 sq. km of Protected Areas — nine

national parks of 3,462 sq. km and 77 sanctuaries of 12,143 sq km — while disregarding the changed legal regime. Of these, Tamil Nadu's share has been 15 sanctuaries spanning 4,146.7 sq. km.

The FRA violations, in the case of Scheduled Tribes, are also crimes under the 2016 amendment to the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989.

How has Tamil Nadu implemented the FRA?

According to the 2011 Census, there were 1,808 revenue villages in Tamil Nadu with numerous habitations in them accessing 15,826.9 sq. km of forests within revenue boundaries.

But as of September 2023, the State had recognised and issued individual titles to an extent of just 38.96 sq. km — a paltry coverage of 0.25%. Reportedly, the State has issued 531 community titles but the extent of the area thus titled remains a mystery.



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