



Before eviction

States must quickly determine if procedural lapses deprived forest-dwellers of their rights

The Supreme Court's order to evict, over the next five months, occupants of forest lands who failed to make a successful claim for tenure under the Forest Rights Act, 2006, has once again highlighted the dilemma of reconciling inalienable tribal rights with biodiversity conservation. When the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act was passed, it was with the wholly welfarist goal of making these communities partners in conservation. They would be stewards of forests that have shrunk and become fragmented over the decades. It was another landmark, therefore, when the Forest Rights Act protected possession and conferred heritability of land to over 23 lakh out of 44 lakh claimants who are either specified Scheduled Tribes, or people who have lived in forests traditionally, relying on forest produce for at least 75 years prior to the cut-off year of 2005. But over 20 lakh other applicants who could not establish their claim through gram sabhas and appellate authorities have now been ordered to be evicted by July 12. The 17 State governments which have been asked to carry out the evictions must respond by quickly determining whether there were procedural lapses that deprived applicants of due process, notably in making appeals. This process may take time, more so in an election year, and the sheer scale of action required would necessitate an extension of the eviction date.

In the ideal scheme, as the Forest Rights Act envisages, forested areas and their biodiversity will be protected by communities, with individuals taking forest produce only for sustenance and livelihood. Such an approach is at odds with the colonial paradigm of forests being treated as a resource run by an opaque bureaucracy that replaced precious old-growth trees with monocultures such as teak. Today, forests have shrunk to about 5% of the land in terms of protected areas, while human pressures are growing: landscapes are alienated for resource exploitation, road and dam building, and a lot of wildlife is lost to poaching. Man-animal conflict is growing. Claims for tenure under the Forest Rights Act must therefore satisfy the primary test of whether they are legally unimpeachable, and even if they are, whether they would impose additional pressures on forests and wildlife. The answer in many areas may lie in resettlement. In some well-documented cases, such as in the Western Ghats, alternative land and cash compensation convinced tribals to move out of core areas. One example is that of the Nagarahole National Park, where the outcome has been good for both people and wildlife, as evidenced by the recovery of tiger density over three decades. State governments need to pursue such programmes in a humane and vigorous fashion. They must also come forward to declare critical wildlife habitats under the Act. This will aid in formulating resettlement schemes for tribal residents.

Pre-poll gambit

Reduction in rates brings cheer to real estate sector, but unsettles the GST regime

On Sunday, the Goods and Services Tax Council recommended a dramatic reduction in the headline indirect tax rates payable on under-construction properties. The GST rate payable on affordable homes, with effect from April 2019, will come down from 8% to 1%, and all other residential properties outside the affordable segment will attract 5% GST instead of the 12% levied at present. The new rate on affordable homes, defined as units that cost less than ₹45 lakh and have a carpet area of 60 square metres in metro cities and 90 square metres in non-metros, is far lower than the 3% rate mooted by a ministerial panel. The Council needs to meet again in March to clear the transition rules for the proposed rate cuts, and the conditions to be stipulated for housing projects to be eligible for the new rates. Days ahead of the expected announcement of the Lok Sabha poll dates by the Election Commission, the government is clearly keen on reaching out to different sections of voters. It has argued that the move will help meet the aspirations of millions of home-buyers, and revive the fortunes of real estate developers. Among the country's largest employers in recent years, the realty sector has been marred by the debt overdose that has plagued much of corporate India; this has been compounded by high unsold inventory that hit cash flows. Properties that were already complete at the time of the GST's adoption were spared the tax. But the introduction of 12% and 8% GST for under-construction premier housing units and affordable homes, respectively, had come as a dampener for fresh bookings.

Finance Minister Arun Jaitley reckons that revenues will not be hit by the rate cut. The implicit assumption is that higher sales volumes will compensate the exchequer. Experts expect a 4-5% reduction in home prices, but the decision to deny input tax credits to builders could bring a twist in the tale. Developers may be forced to raise base prices as critical inputs, particularly cement (taxed at 28%), entail high levies that can no longer be offset. Buyers may still prefer to opt for unsold completed properties that don't attract GST, instead of incomplete projects. Compliance as well as material costs could go up too, as the Council is likely to mandate that around 80% of a project's inputs must come from formal sector vendors in the GST net. It is difficult to determine to what extent a proposed tax exemption on development rights will offset these costs for developers. Whatever the outcome of this pre-election ploy, the frequent structural tinkering ahead of electoral battles has emerged as the biggest challenge to the stabilisation of India's fledgling GST regime.

Coalition of the concerned

Multi-pronged diplomacy is vital to compel Pakistan to end its support for terrorist groups



SUHASINI HAIDAR

In the wake of the Pulwama attack on February 14, the government has iterated once again its plan for the "diplomatic isolation" of Pakistan. The idea, which was first articulated after the 2016 Uri attacks, is a non-starter, as was underlined by the visit of the Saudi Crown Prince Mohammad Bin Salman to both countries earlier this month, just a few days after Pulwama. In Pakistan, the Prince called himself "Pakistan's Ambassador" in his country, and issued a joint statement praising Pakistan for its fight against terrorism. Clearly, a more considered diplomatic strategy, less full of rhetoric, must be chalked out by the government in response to cross-border terrorism.

Beyond isolation

To begin with, the government would do better to repackage its idea of "isolating Pakistan" into one of building a more inclusive 'coalition against terrorism emanating from Pakistan'. In the past couple of weeks alone, Iran and Afghanistan have faced terror attacks on their security forces along the border with Pakistan – and several other countries, which have also faced such attacks or see the presence of Pakistan-based groups on their soil, would be willing to join ranks on this. The truth is, in today's interconnected world, it is vainglorious to expect countries to join a unilateral plan for isolation.

Despite the U.S.'s considerable might, it has been unable to get most countries, including India, to sever ties with Iran and North Korea, for example. The impact of

such a campaign is also doubtful: after years of trying to isolate North Korea, the U.S. is pursuing talks with its leader. While isolation might work as a campaign slogan for domestic audiences, it is quickly rebuffed each time a country engages with the nation one is trying to isolate. An inclusive coalition is more likely to move nations at the global stage as well. The success of the efforts led by the U.S. and other countries to 'grey list' Pakistan at the Financial Action Task Force or of French efforts for a United Nations Security Council statement on Pulwama points to that.

Second, India must focus on the case against Masood Azhar, which pre-dates the case against 26/11 mastermind Hafiz Saeed. In a first, the Jaish-e-Mohammed (JeM) claimed responsibility for the Pulwama attack in a suicide bomber video that has not thus far been disputed by its leader Masood Azhar. Azhar has been on the U.S.'s radar since 1992, when he was a leader of the banned terror group Harkat ul-Ansar, and worked with jihadi groups in Sudan and Bangladesh. His release after years in Indian prisons in exchange for hostages on board the IC-814 flight should on its own merit his banning and prosecution – not just in Pakistan, but in all the countries whose nationals were on board

that Indian Airlines flight, as well as the stops that flight made: in Nepal, the United Arab Emirates and Afghanistan.

Third, India must prepare for a pushback from Pakistan, most likely in terms of internationalising the Kashmir issue, and linking it to progress in Afghanistan. This is what Pakistan's Ambassador to Afghanistan, Zahid Nasrullah, did when he said that any attack by India would "impact the momentum" of the peace talks in Afghanistan. His words were heard beyond Kabul, in Washington and Moscow. On February 18, members of the Taliban negotiating team were due to meet U.S. special envoy Zalmay Khalilzad in Islamabad. The talks were called off after Afghanistan objected to the Taliban team's travel to Pakistan, and rescheduled for February 25 in Doha. It remains to be seen how much countries trying to negotiate with the Taliban will need Pakistan's leverage to make progress on those talks. U.S. President Donald Trump sees them as the precursor for plans to pull out most troops in combat in Afghanistan before his re-election bid for 2020.

The American angle

Next, the government must prioritise action over words, when it comes to moves against Pakistan's sponsorship and hosting of the

JeM. The measures taken thus far – cancelling Most Favoured Nation status, maximising use of Indus waters, denying visas to Pakistani sportspeople, etc. – have little real impact on Pakistan and certainly none on the military establishment. Instead of priding itself on extracting statements of condemnation from various governments in the world, it is better for New Delhi to use India's considerable diplomatic leverage to ensure action that would shut down the JeM and the Lashkar-e-Taiba (LeT) permanently and bring their leaders to justice. In this regard, mere statements and bans have not worked for more than two decades, and the government must consider other options, especially with the countries that carry the most leverage and access in Pakistan: China, the U.S. and Saudi Arabia.

It is puzzling that the U.S. has been able to carry out drone strikes on a whole host of terror group leaders on Pakistan's western front, but never once targeted camps and infrastructure belonging to the JeM and the LeT, despite their well-established links to al-Qaeda. India must also press the U.S. to place travel sanctions on specific entities in the Pakistani military establishment unless visible action is taken against the JeM, whose leaders hold public rallies and issue videos threatening India.

Contrary to popular perception, the Trump administration's moves to cancel funds to Pakistan last year is not the toughest action the U.S. has contemplated: in May 1992, then U.S. President George H.W. Bush had directed his Secretary of State James Baker to send a stern letter to then Pakistani Prime Minister Nawaz Sharif threatening to designate Pakistan as a "State sponsor of Terror" for its support to Kashmiri and Sikh militant groups.

A similar line of talks must be

pursued by New Delhi with Riyadh – which once was a donor to Pakistan's Islamist institutions, but now is wary of funding extremism – to withhold any funds that may trickle down to charitable wings run by the JeM and LeT. With China, it is surprising that the issue of a simple ban at the UN Security Council has not been made India's chief demand from Beijing. It is hoped that this will be rectified soon when the next proposal to ban Azhar is brought to the UNSC, and during Foreign Minister Sushma Swaraj's visit to China this week for the trilateral Russia-India-China meeting. More than the ban, however, India must ask China for action against any entities dealing with the JeM in Pakistan, given that China is the partner with the most influence in Pakistan today, and one with the most to lose from terror groups in Punjab operating along the China-Pakistan Economic Corridor.

Steady dialogue

Finally, India must look to its own actions on the diplomatic front with Pakistan. Calling off a formal dialogue process for more than a decade has clearly yielded no desired outcome. South Asia as a region, and the South Asian Association for Regional Cooperation (SAARC) process too have suffered the consequences of this disengagement, without yielding any desired outcomes. A measured, steady and non-political level of dialogue is a more effective way of impressing India's determination to root out terrorism than the present on-again, off-again policy. As the nation prepares for a possible military response to the Pulwama attack, it is important that New Delhi consider its diplomatic response carefully, particularly taking into account both the historical and regional context of its moves.

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The correct prescription

Entry of e-pharmacies will bring down the price of medicine for Indian patients



PRASHANT REDDY T.

Amid a slew of conflicting judicial decisions from different High Courts, the legality of e-pharmacies continues to be questioned by various trade associations such as the All India Organisation of Chemists and Druggists (AIOCD). It represents 8.4 lakh pharmacists who run the brick and mortar pharmacies in neighbourhoods across India.

E-pharmacies, which operate through websites or smartphone apps on the Internet, offer medicines for sale at a discount of at least 20% when compared to traditional pharmacists, with the added convenience of home delivery of medicines to one's doorstep. For scheduled drugs, patients can submit photographs of prescriptions while placing orders. Despite operating in India for at least four years now, the legal status of these e-pharmacies is not clear because the government is yet to notify in-law draft rules that it published in 2018.

The fiercest opponents of e-pharmacies are trade associations

of existing pharmacists and chemists. They argue that their livelihoods are threatened by venture capital backed e-pharmacies and that jobs of thousands are on the line. Apart from these obvious arguments, these trade associations also spin imaginary tales of how e-pharmacies will open the door to drug abuse and also the sale of sub-standard or counterfeit drugs, thereby threatening public health. There is enough evidence on record to demonstrate how existing pharmacies contribute generously to drug abuse and sale of sub-standard medicine. There is no reason to suspect that e-pharmacies are going to worsen the situation in anyway.

A case of cartelisation

The more prudent way of looking at the entry of e-pharmacies is competition and the resultant effect it will have on lowering the price of medicine for Indian patients. Viewed from this perspective, there is virtually no doubt that e-pharmacies should be allowed to operate because the history of India's trade associations of pharmacists is one of rampant, unabashed cartelisation that has resulted in an artificial inflation of medicine prices.

In a fully functional, competitive market, pharmacists would compete with each other for busi-



ness. This competition could happen in the form of discounts or improving operational efficiency. For example, if two retailers buy a medicine from a wholesaler at ₹50 and the maximum retail price of the drug is ₹75, they are free to sell it at ₹70 or ₹65 or even ₹51. The seller with the lower price gets more customers and can make more profits. However, if both sellers enter into an agreement with each other to sell the drug at ₹75 and they also clearly define the geographical area within which they are operating, they both make higher profits but at the cost of the patient who now has to pay higher prices.

This practice of two competitors colluding to fix the sale price and area of operation is called cartelisation, and is illegal under India's Competition Act. The premise of this law is that a free market is efficient only if all sellers are competing with each other to offer the lowest price to the customer.

Over the last decade, the Com-

petition Commission of India (CCI) has had to deal with several complaints alleging that trade associations of pharmacists are providing platforms for cartelisation where pharmacists are basically rigging the market. In simple terms, this means that pharmacists, who should otherwise be competing with each other to offer lower prices for their customers, prefer to enter into agreements with each other to fix the price at which they will sell medicines to patients. Once all parties are on the same page, there is no reason to compete with each other and reduce prices.

Another barrier

A second, more insidious strategy is the practice of requiring pharmaceutical companies to apply for a no-objection-certificate (NOC) from the regional trade association before they appoint new stockists in a region to sell a particular drug. This has the effect of artificially restricting competition in certain markets because more stockists mean more competition. By creating such artificial, extra-legal barriers to the free trade of medicines within India, these trade associations create huge distortions in the Indian market. It is suspected that these practices continue despite multiple restraining orders by the CCI.

In its recent policy note on "Making markets work for affordable healthcare", published in October 2018, the CCI noted, "One major factor that contributes to high drug prices in India is the unreasonably high trade margins." One of the culprits for this phenomenon identified by the CCI was "self-regulation by trade associations [which] also contributes towards high margins as these trade associations control the entire drug distribution system in a manner that mutes competition".

One of the solutions proposed by the CCI was encouraging more e-pharmacies. As stated by the CCI in its policy note, "Electronic trading of medicines via online platforms, with appropriate regulatory safeguards, can bring in transparency and spur price competition among platforms and among retailers, as has been witnessed in other product segments."

Where the state has failed, it is possible that venture capitalist backed e-pharmacists will succeed in bringing back competition to the retail drug markets in India. There is no reason for India to continue indulging trade associations that have no taste for competition or fair business practices.

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LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

After Pulwama

Being a former government interlocutor for Jammu and Kashmir, one expected the writer to acknowledge the complexity of the problem (Editorial page, "After Pulwama, a sorry response", February 25). There was an eagerness to sing paeans to the erstwhile UPA government's responses.

Nowhere in the article could one find any suggestion or solution to end Pakistan's treacherous and cowardly policy: of locking its regular army in barracks and training and dispatching terrorists to bleed India. Will mollycoddling the separatists make Pakistan shut down its terror camps? The comment about the lack of a Kashmir policy is astonishing because there is no Kashmir policy without

a Pakistan policy. It is impossible to have any policy towards a nation which is a de facto militaristic theocracy masquerading as a modern democracy and which operates in the shadow of international conventions.

V.N. MUKUNDARAJAN,
Thiruvananthapuram

Managing the waste

The reality about sanitation is a lot more different than what is on record. The mega Swachh Bharat Mission appears to have lost its purpose and it may not be an exaggeration to say that it has been reduced to an exercise of building toilets. The major issues such as whether they are being used or whether these toilets are indeed connected to a proper sewerage system need to be the focus (Editorial page,

"De-odourising sewage", February 25).

DEEPIKA TRIPATHI,
Lucknow, Uttar Pradesh

Every citizen is entitled to potable water, but with the population explosion and water management programmes far from satisfactory, the problem of sewage management has been compounded. The other major cause of water pollution is the unchecked discharge of industrial effluents into water bodies, which can be seen across India. The government and other stakeholders should exercise care. Finally, when one talks about sanitation, cosmetic and superficial measures such as "photo ops" of celebrities cleaning roads do not help the main cause.

DEEPAK SINGHAL,
Noida

The common process of recirculating treated sludge into the rivers does not seem to be coherent. Inoperable sewage treatment plants should be replaced with futuristic systems which can provide potable water after treating the sludge and subsequent osmosis. These plants can also provide electricity and excellent manure. The hallmarks of any smart city should be a good drainage system, an idea championed in the Indus Valley Civilisation.

JACOB J. PUTHENVEETIL,
Chennai

Migrant focus

A paradigm shift in the attitude towards migrant labourers in Kerala, to make them live a life of dignity, is no more an optional policy. In a State where there are shifts in the work force ratio, a growing population of the

elderly and a yet-to-wane attraction among the young for seek overseas employment, the role that migrant labourers play in ensuring Kerala's progressive march cannot be over-emphasised. While the LDF government seems alive to this, cosmetic steps need to be augmented with proactive measures (OpEd page, "Old challenges in building a new Kerala", February 25).

AYASSERI RAVEENDRANATH,
Aranmula, Kerala

A Sunday refresh

The new format of the 'Magazine' is interesting. I have come across the magazines of other newspapers but 'The Hindu' is different. The handy format will ensure a week of good reading material.

HIMANSHU SRIVASTAV,
Gorakhpur, Uttar Pradesh

As some of the letters show ('Letters to the Editor', February 25), the new format of the 'Magazine' has been well received.

How about shifting the 'Open Page' to the tabloid? Most of us would like to read its interesting stories/anecdotes at leisure during the week. Most often, the main paper loses its importance by evening.

J.S. ACHARYA,
Hyderabad

The makeover has resulted in a product that is rich in content. Perhaps the Literary Review can have poems and short stories, which will also allow creative writers to have a space of their own in the magazine. There should be a forum for readers' opinions.

B. PRABHA,
Varkala, Kerala

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