

# NEXT IAS

## DAILY CURRENT AFFAIRS (DCA)

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### Table of Content

Bhopal Prohibits Begging

Rajasthan's Bill Against 'Unlawful' Religious Conversions

US Reviews Sanctions Waiver for India's Chabahar Port Project

US Withdrawal from UNHRC, WHO, and Other International Forums

Shift to Debt-GDP Ratio from Fiscal Deficit as Fiscal Anchor

#### NEWS IN SHORT

Kalbelia Community

State Emblem of India

Tribhuvan Sahkari University

Jevons Paradox

GREAT Scheme

Beggar-thy-neighbour Policies

## BHOPAL PROHIBITS BEGGING

### In News

- The **Bhopal district administration** has prohibited all forms of begging, giving alms, and purchasing goods from beggars, invoking **Section 163 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023**.
  - ♦ **Section 163 of BNSS** empowers the DM, or any other Executive Magistrate to issue orders in cases of public nuisance.
  - ♦ **Section 223 of BNSS** deals with the punishment for disobedience of orders.

### About

- As per the **Census 2011**, there are **4.13 lakh beggars and vagrants in India**.
- Many cities have repeatedly undertaken similar actions before major events. In 2017, **Hyderabad banned** begging before the **Global Entrepreneurship Summit**, while in 2010, Delhi removed beggars ahead of the **Commonwealth Games**. These measures have drawn criticism for targeting the **most vulnerable sections of society** without addressing the root causes.

### Need for Criminalising Begging

- **Public Nuisance and Beautification:** It is often claimed that beggars create a negative image for tourists and investors, particularly before high-profile events.
- **Traffic and Safety Concerns:** Many beggars operate at busy intersections, leading to accidents and disrupting traffic flow.
- **Organized Begging Syndicates:** Law enforcement agencies argue that many beggars are part of larger organized networks that exploit individuals, including children and disabled persons.
- **Public Health Risks:** Some states cite health and hygiene concerns, particularly in crowded urban areas, as reasons for imposing bans on begging.

### Legal Framework for Begging in India

- Begging is not explicitly prohibited under a national law, but several states have their own anti-begging laws. The criminalization of begging in India has its roots in colonial jurisprudence, with several laws still in effect today:
  - ♦ **European Vagrancy Act, 1869:** Enacted by the British to maintain racial superiority by preventing poor Europeans in India from resorting to begging.

- ♦ **Bombay Prevention of Begging Act, 1959:** Considered a model law, adopted by multiple states including Gujarat, Karnataka, Uttar Pradesh, and Andhra Pradesh. It criminalizes begging and grants authorities power to detain and penalize beggars.
- ♦ **Bengal Vagrancy Act, 1943, and Madras Prevention of Begging Act, 1945:** These pre-independence laws aimed at criminalizing beggars and rehabilitating beggars in workhouses.
- ♦ **Vagrancy Laws under Concurrent List (Entry 15):** Both the Union and state governments have the authority to legislate on vagrancy and destitution-related matters.
- ♦ **Section 163 & 223 of Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023**
- **Article 23 of the Indian Constitution:** Prohibits traffic in human beings, begar (forced labor without payment), and other forms of forced labor.

### Why Begging Persists in India?

- **Poverty and Unemployment:** Economic disparities and lack of job opportunities force many individuals into begging.
- **Lack of Social Security:** Inadequate access to food, healthcare, and shelter pushes marginalized individuals to seek alms.
- **Forced Begging and Trafficking:** Organized crime syndicates force children and disabled individuals into begging.
- **Migration and Urbanization:** Many rural poor migrate to cities in search of work but fail to secure employment, ending up as beggars.
- **Disability and Mental Illness:** Lack of proper healthcare services leaves disabled and mentally ill individuals with no choice but to beg.

### Implications of Criminalizing Begging

- **Violation of Human Rights:** Penalizing begging disproportionately affects the poorest sections of society and contradicts constitutional guarantees of dignity and equality.
- **Arbitrary Detentions:** Many anti-begging laws empower authorities to detain the beggars without due process of law.
- **Failure to Address Root Causes:** Simply banning begging does not provide a solution to poverty or homelessness.
- **Judicial Interventions:**
  - ♦ **Delhi High Court (2018):** Struck down parts of the Bombay Prevention of Begging Act as unconstitutional.

- ♦ **Jammu and Kashmir High Court (2019):** Declared the Prevention of Beggary Act and related rules as unconstitutional.
- ♦ **Supreme Court (2021):** Recognized begging as a socio-economic issue, refusing to impose restrictions during COVID-19.

#### Government Initiatives for Rehabilitation

- **SMILE Scheme (2021) : Central Sector Scheme;** "Support for Marginalized Individuals for Livelihood and Enterprise" focuses on rehabilitating beggars and providing them with alternative livelihood options.
- **Persons in Destitution (Protection, Care and Rehabilitation) Model Bill, 2016:** Proposed by the Ministry of Social Justice and Empowerment to provide comprehensive care and rehabilitation for destitute persons but was eventually dropped.
- **Shelters and Skill Development Programs:** Several states have launched temporary shelters, food distribution centers, and vocational training programs to help reintegrate beggars into society.

#### Way Forward

- **Legal Reforms:** A comprehensive national law focused on rehabilitation, rather than criminalization, should replace outdated colonial-era legislation.
- **Strengthening Social Welfare Schemes:** Expanding social security programs, healthcare access, and employment opportunities can address the root causes of begging.
- **Regulation of Street Vending:** Many beggars resort to street vending. Legalizing and supporting this activity can provide them with sustainable livelihoods.
- **Rehabilitation through NGOs and Private Partnerships:** Collaborating with NGOs and private organizations can help implement structured rehabilitation programs.

Source: IE

## RAJASTHAN'S BILL AGAINST 'UNLAWFUL' RELIGIOUS CONVERSIONS

#### In News

- Recently, the Rajasthan Government introduced a Bill to prevent **religious conversions** carried out by force, fraud or inducement.

#### About

- Rajasthan's first attempt to introduce an anti-conversion law was in 2006 but faced opposition and was returned by the President.

- In 2017, Rajasthan High Court issued guidelines to prevent forcible conversions in the absence of a law.
- The new Bill follows the lines of anti-conversion laws already present in states like Madhya Pradesh and Uttarakhand.

#### Key Provisions

- **Unlawful conversion:** It includes conversion through coercion, force, allurement (cash, benefits, etc.), or fraud.
- **Burden of proof:** The accused person must prove that the conversion was not done unlawfully.
- **Filing of FIR:** Blood relatives (parents, siblings, etc.) of the aggrieved can file an FIR in suspected cases.
- **Punishments:**
  - ♦ **General unlawful conversion:** 1 to 5 years in jail, fine of Rs 15,000.
    - Conversion of minor, woman, or SC/ST: 2 to 10 years in jail, fine of Rs 25,000.
  - ♦ **Mass conversions:** 3 to 10 years in jail, fine of Rs 50,000.
  - ♦ Repeat offenders face double the punishment for each offence.
  - ♦ All offences are **cognizable and non-bailable**.
- **Voluntary Conversion Process:** Converts must fill a declaration form and submit it to the District Magistrate (DM) 60 days in advance.
  - ♦ A month's advance notice must be given to the DM for the ceremony.
  - ♦ The person performing the conversion ceremony must also notify the DM 30 days before.
  - ♦ An officer will conduct an inquiry into the intention and purpose of the conversion.
  - ♦ A declaration of the conversion must be filed with the DM, including details like the convert's identity, religion before and after conversion, etc.
  - ♦ The convert must appear before the DM within 21 days of the declaration for verification.

#### Need and Purpose of the Bill

- The government claims that many gullible individuals are being converted unlawfully.
- The Bill aims to **balance religious freedom** with **preventing fraudulent conversion**.
- It was aimed at preventing forcible conversions and conversions through coercion, force, allurement, or fraud.



**Do you know?**

- The Constituent Assembly discussed the inclusion of the right to propagate religion as part of the fundamental rights.
- Some members were concerned that the right to propagate could lead to forceful conversions and wanted to replace the word “propagate” with “practise privately”.
- **Article 25(1) grants** all persons the freedom of conscience and the right to profess, practise, and propagate religion.
  - ♦ This guarantees equal religious freedom to everyone, but with certain limitations in the interest of public order, morality, and health.

Source :IE

## US REVIEWS SANCTIONS WAIVER FOR INDIA'S CHABAHAR PORT PROJECT

### Context

- The US government is currently **reviewing the sanctions waiver granted to India** for the **Chabahar Port project**, which could impact India's connectivity plans with Central Asia.

### Background

- The United States has imposed multiple rounds of sanctions on Iran, primarily targeting its nuclear program and economic activities.
- **US Sanctions Waiver for Chabahar:** The US granted a waiver for India's involvement in Chabahar. The key aspects of the waiver include:
  - ♦ **First Waiver:** In 2018 the US exempted India from sanctions related to Chabahar, acknowledging its humanitarian and regional connectivity benefits.
  - ♦ **Renewed Waiver:** Further exemptions were granted, ensuring continued Indian operations at the Shahid Beheshti Terminal and related connectivity projects.

### Impact of US Sanctions on India

- **Potential Disruption in Development:** The new US directive restricts India's ability to continue its operations at Chabahar port.
  - ♦ Despite US sanctions on Iran, India continues to import oil from Russia amid growing global pressure.
- **Effect on Trade and Connectivity:** Since 2018, the port has handled over 90,000 TEUs (twenty-foot equivalent unit) of container traffic and more

than 8.4 million metric tons of cargo.

- ♦ Any sanctions will hinder further progress.
- **Declining Trade with Iran:** The earlier sanctions have led to a significant decline in India's trade with Iran.
  - ♦ In 2018-19, India's imports from Iran were worth \$13 billion, primarily crude oil. However, post-2019, imports fell to less than **\$1 billion** annually.

### Chabahar Port

- **Iran's Chabahar port** is located on the **Gulf of Oman** and is the only oceanic port of the country.
  - ♦ It is situated in the city of Chabahar in Sistan and Baluchestan Province.
- **Chabahar has two ports;** Shahid Kalantari and Shahid Beheshti.
  - ♦ The former is an old port with limited water front to accommodate feeder vessels.
  - ♦ The Shahid Beheshti Port is being developed in four phases. On completion of all 4 phases, port capacity will be 82 million tons per year.



### Significance of Chabahar Port for India

- **Strategic Importance:** The Chabahar port provides India with a direct trade route to Afghanistan and Central Asia, bypassing Pakistan.
  - ♦ It strengthens India's regional presence and offers an **alternative to China's Belt and Road Initiative**.
- **Economic Benefits:** The port facilitates trade through the **International North-South Transport Corridor (INSTC)**, reducing transport costs and time.
  - ♦ The Economic Survey 2024-25 reported a **43% increase in vessel traffic** and a

**34% rise in container traffic** at the Shahid Beheshti Terminal.

- **India's Investment:** Under the 2024 agreement, India Ports Global Ltd (IPGL) has committed **\$120 million** to equip the port. Additionally, India has extended a **\$250 million** credit facility for infrastructure development linked to Chabahar.

#### Way Ahead

- India has balanced its strategic relations with both the US and Iran, but the potential revocation of the Chabahar waiver poses a diplomatic challenge.
- Due to its regional importance, India's continued investment in Chabahar is essential for its long-term connectivity and economic interests in Central Asia and Afghanistan.
- The development of Chabahar port remains crucial for India's foreign policy and regional outreach, requiring careful diplomatic negotiations with both the US and Iran.

Source: ET

## US WITHDRAWAL FROM UNHRC, WHO, AND OTHER INTERNATIONAL FORUMS

#### Context:

- The United States has recently announced its withdrawal from several key international organizations, including the UNHRC, the WHO, and other international forums.

#### Key Instances of U.S. Withdrawal from International Forums

- **United Nations Human Rights Council (UNHRC):** US cited the **UNHRC's 'chronic bias against Israel'** and its failure to address genuine human rights concerns.
  - ♦ It was part of a broader pattern of the Trump administration stepping back from international agreements and organizations under its '**America First**' policy.
  - ♦ It accused the UNHRC of '**obsessively demonizing the one democracy in the Middle East**' and propagating antisemitism.
  - ♦ The US prohibits **any future funding** for the **United Nations Relief and Works Agency (UNRWA)**, which provides aid to millions of Palestinians.
  - ♦ It is important to note that the **UNHRC has passed over 100 condemnatory resolutions against Israel**, which **amounts to more than 20% of all resolutions passed by the council**.

- **World Health Organization (WHO):** Reasons behind withdrawal are WHO's **handling of the COVID-19 pandemic** and its **perceived bias towards China**.

- ♦ The **US, being the largest financial contributor to the WHO**, argued that the organization needed to be reformed to better serve its member states.
- ♦ It could cost WHO \$130 million in annual funds and hinder global public health response.

#### Other International Forums

- The US has **reviewed its involvement** in other international organizations, such as **UNESCO and the Paris Climate Accord**, citing 'wild disparities' in financial contributions among member countries.
  - ♦ Earlier, US left **UNESCO in 2017**, citing an alleged anti-Israel bias within the organization. It echoed **a similar withdrawal in 1984** under President Ronald Reagan, which was reversed in 2003.
- The US withdrew from **the Trans-Pacific Partnership (TPP)** in 2017, citing the **need to protect American jobs and industries**.
  - ♦ The remaining countries proceeded with a **revised version** called the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**.

#### Implications of U.S. Withdrawal from International Forums

- **Weakening of Global Multilateralism:** The **repeated exits** from key international organizations have raised concerns about the effectiveness of multilateralism. U.S. disengagement often **leads to leadership vacuums** that other nations, particularly China, have sought to fill.
- **Geopolitical Power Shifts:** China and Russia have leveraged U.S. withdrawals to strengthen their influence in global governance.
  - ♦ For instance, **China has expanded its role** within WHO, UNHRC, and trade agreements following US exits.
- **Damage to Global Trust and Alliances:** Frequent policy reversals, such as the **U.S. leaving and then rejoining** international agreements (e.g., Paris Climate Accord, WHO, and UNESCO), create uncertainty among allies and undermine trust in American commitments.
- **Impact on Global Trade and Climate Policies:** Withdrawal from agreements like the **TPP and the Paris Climate Accord** has had economic and environmental consequences.

- ♦ The U.S. lost trade opportunities while other nations advanced regional agreements without it.
- **Impact on UNRWA:** UNRWA provides health, education, and aid services to millions of Palestinians in Gaza, the West Bank, Syria, Lebanon, and Jordan.
  - ♦ The US had been the largest donor to UNRWA, contributing between \$300 million and \$400 million annually.

### Reforms Needed in International Forums Amid US Withdrawal

- **Strengthening Multilateralism:** Organizations like WHO, WTO, and UN bodies suffer from funding shortfalls when major contributors (like the US) withdraw.
  - ♦ Reforming financial structures—such as mandatory contributions from all members—can reduce dependency on a few nations.
- **Expanding Representation in Global Decision-Making:** Calls for expanding permanent UNSC membership (that remain dominated by post-WWII power structures) to include emerging powers like India, Brazil, and South Africa.
- **Revitalizing Climate Agreements:** Strengthening compliance mechanisms and creating penalties for withdrawal could ensure sustained participation.

### Conclusion

- As the US withdraws from key international forums, it is imperative to implement reforms that address transparency, representation, efficiency, and financial sustainability.
- These reforms will help ensure that international organizations remain effective in promoting global cooperation and addressing the world's most pressing challenges.

Source: DD News

## SHIFT TO DEBT-GDP RATIO FROM FISCAL DEFICIT AS FISCAL ANCHOR

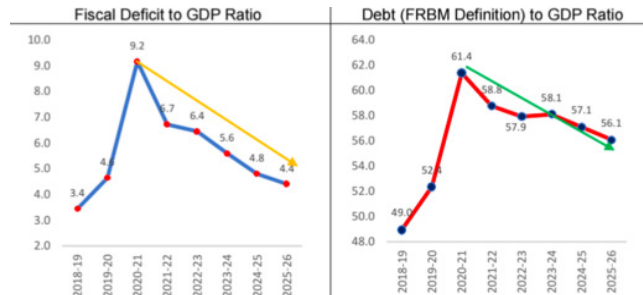
### Context

- The central government has announced a shift towards the “debt-GDP ratio” as the fiscal anchor, beginning from the **2026-27** financial year.

### About

- The government has detailed three levels of fiscal consolidation based on nominal GDP growth assumptions:
  - ♦ **Mild:** 10% growth rate
  - ♦ **Moderate:** 10.5% growth rate
  - ♦ **High:** 11% growth rate

- **Debt-GDP ratio in India:** For the central government, the ratio is estimated to be **57.1% in 2024-25** and **56.1% in 2025-26**.
- The government aims to reduce the debt-GDP ratio to **50±1** per cent by **2031**.



### Rationale Behind the Shift

- **Enhanced Transparency and Flexibility:** Unlike rigid annual fiscal deficit targets, the debt-GDP ratio provides a more comprehensive and long-term perspective of fiscal health.
- **Alignment with Global Best Practices:** Many advanced economies prioritize debt sustainability over annual deficit targets, ensuring that fiscal policies remain adaptable to changing economic conditions.
- **Better Fiscal Management:** This approach allows governments to rebuild financial buffers and allocate resources efficiently for growth-enhancing expenditures.
- **Disclosure of Off-Budget Borrowings:** The new approach aims to bring greater clarity and transparency in government borrowings, addressing past concerns about fiscal opacity.

### Challenges

- **FRBM Act Compliance:** The new framework suggests a significant delay in achieving the Fiscal Responsibility and Budget Management (FRBM) Act target of **40% debt-GDP ratio**.
- **Implementation Challenges:** Maintaining fiscal discipline while ensuring adequate public expenditure for economic growth remains a challenge.
- **State Debt Burden:** The total debt burden, including states, remains a concern, necessitating coordinated fiscal consolidation.

### Concluding remarks

- The shift to the debt-GDP ratio as a fiscal anchor marks a significant change in India's fiscal policy framework.
- While it offers greater flexibility and long-term sustainability, effective implementation and adherence to fiscal discipline will be crucial in achieving the targeted fiscal consolidation.

**NK Singh committee recommendation**

- **Debt to GDP ratio:** The Committee suggested using debt as the primary target for fiscal policy. A debt to GDP ratio of **60%** should be targeted with a **40%** limit for the center and **20%** limit for the states by FY23.
- **The fiscal deficit to GDP ratio** of **2.5%** by FY23.
- **Fiscal Council:** The Committee proposed to create an autonomous Fiscal Council with a Chairperson and two members appointed by the center. The role of the Council would include:
  - ♦ Preparing multi-year fiscal forecasts,
  - ♦ Recommending changes to the fiscal strategy,
  - ♦ Improving quality of fiscal data,
  - ♦ Advising the government if conditions exist to deviate from the fiscal target.
- **Deviations:** The Committee suggested that grounds in which the government can deviate from the targets should be clearly specified, and the government should not be allowed to notify other circumstances.
- **Debt trajectory for individual states:** The Committee recommended that the Finance Commission should be asked to recommend the debt trajectory for individual states.

Source: IE

- Despite being **Hindu**, the Kalbeliyas **do not cremate their dead**; instead, they **bury them** and place an **idol of Shiva's Nandi bull** on the grave.
- The **12th and 13th centuries** were considered the **golden era** for the community, as noted by **Polish poet Jan Kochanowski**. However, after **Prithviraj Chauhan's defeat by Muhammad Ghori**, their prominence began to decline.
- The **Wildlife Protection Act of 1972** further disrupted their **traditional snake-handling profession**, forcing them into **alternative livelihoods**.

**Kalbelia Dance: A Living Heritage**

- **Kalbelia dance**, also known as **Sapera dance**, is an **integral part of Kalbelia culture** and a **symbol of their identity**.
- **Both men and women** participate:
  - ♦ Women wear **flowing black skirts**, twirl gracefully, and **imitate serpent movements**.
  - ♦ Men accompany them with **musical instruments** such as the **khanjari (percussion instrument)** and **poongi (woodwind instrument)**, traditionally used for **snake charming**.
- Dancers adorn **traditional tattoo designs**, **intricate jewellery**, and **richly embroidered garments** with **mirror work and silver thread**.
- **Recognized globally**, Kalbelia dance was **inscribed in 2010 on UNESCO's Representative List of the Intangible Cultural Heritage of Humanity**.

Source: TH

**NEWS IN SHORT****KALBELIA COMMUNITY****Context**

- A **year-old night school in Ajmer's Kishangarh tehsil** is unlocking **new opportunities for Kalbeliya women**, providing them with **access to education and empowerment**.

**About the Kalbeliya Community**

- The **Kalbeliya** are a **nomadic tribe from Rajasthan**, historically known for **snake charming, folk songs, and dances**.
- They are divided into two main groups: **Daliwal and Mewara**, and are also referred to as **Sapera, Jogira, Gattiwala, and Poogiwara**.

**STATE EMBLEM OF INDIA****In News**

- The Union Home Ministry has noted the improper use of the State Emblem of India, specifically the omission of the motto "**Satyameva Jayate**".

**About State Emblem of India**

- The State Emblem of India is an adaptation of the **Lion Capital of Asoka at Sarnath**.
- The original Lion Capital features four lions mounted back-to-back on a circular abacus, resting on a bell-shaped lotus.
- The abacus frieze has sculptures of elephant, galloping horse, bull, and lion, separated by **Dharma Chakras**.





- The adopted State Emblem (since January 26, 1950) shows three lions mounted on an abacus with:
  - A Dharma Chakra in the center.
  - A bull on the right and a galloping horse on the left.
  - Dharma Chakras at the extreme right and left.
  - The bell-shaped lotus was omitted in the adopted design.
- Motto:** The motto "Satyameva Jayate" (meaning "Truth Alone Triumphs") is written in Devanagari script below the profile of the Lion Capital, forming an integral part of the emblem.

#### Regulations

- The State Emblem of India (Prohibition of Improper Use) Act, 2005, and the State Emblem of India (Regulation of Use) Rules, 2007 restrict the use of the emblem to specified authorities and purposes.
- Omitting the motto or displaying the incomplete design violates the State Emblem of India (Prohibition of Improper Use) Act, 2005.

Source :TH

## TRIBHUVAN SAHKARI UNIVERSITY

#### In News

- The government introduced a Bill in Lok Sabha to establish the **Tribhuvan Sahkari University**, on the campus of the **Institute of Rural Management Anand (IRMA) in Gujarat**.

#### About Tribhuvan Sahkari University

- Background:** The current education and training infrastructure in the cooperative sector is fragmented and inadequate to meet the demand for qualified manpower.
  - The **Home Minister and Minister of Cooperation**, announced plans for a National Cooperative University in 2021.

- The university will be India's first cooperative university, though countries like Germany, Kenya, Colombia, and Spain already have similar institutions.
- Focus :** The university will be declared an institution of national importance.
  - The university aims to provide technical and management education and training in the co-operative sector.
  - It will focus on promoting cooperative research and development and achieving global excellence.
- Key Features :** The university will be a specialized institution in the cooperative sector, offering education, training, research, and development to strengthen the cooperative movement in India.
  - It will have sector-specific schools such as dairy, fishery, sugar, banking, cooperative finance, cooperative marketing, etc.
  - It will use SWAYAM, a government e-learning platform, for online courses.

#### Do you know ?

- The Institute of Rural Management Anand (IRMA), founded by Dr. Verghese Kurien in 1979, will become one of the schools of the new university.
- IRMA will be declared a Centre of Excellence for rural management, preserving its autonomy and identity within the university framework.
- IRMA's society will be dissolved once the Bill is legislated into an Act.

Source :IE

## JEVONS PARADOX

#### In News

- Satya Nadella, CEO of Microsoft, highlighted the **Jevons Paradox** in the context of AI, noting that increased **efficiency and accessibility of AI** could lead to surging demand.

#### What is Jevons Paradox?

- Jevons Paradox states that when a resource **becomes more efficient and cheaper** to use, its overall consumption tends to increase rather than decrease.
- First observed by **William Stanley Jevons** in his **1865 book** The Coal Question. He noted that improvements in the **efficiency of steam**



**engines**, which used coal, led to increased coal consumption, not a decrease as one might expect.

#### How It Works: Key Factors

- **Cost Reduction:** When efficiency increases, operational costs decrease, making the resource more attractive.
- **Higher Accessibility:** Efficient technology allows more users and industries to adopt it.
- **Economic Expansion:** Enhanced productivity can drive industrial and economic growth, leading to greater demand.
- **Elastic Demand:** When a resource is highly responsive to price changes, increased efficiency results in higher usage instead of conservation.

#### Examples of Jevons Paradox

- **Energy Efficiency:** More fuel-efficient cars reduce per-mile fuel costs, encouraging people to drive more, leading to higher total fuel consumption.
- **Artificial Intelligence (AI):** As AI models become more efficient and affordable, their adoption skyrockets, increasing overall energy consumption in data centers.
- **Water Conservation Technologies:** Improved irrigation techniques can lead to **expanded agriculture, increasing water use instead of reducing it.**

Source: LM

## GREAT SCHEME

#### In News

- The Ministry of Textiles, in its 10th Empowered Programme Committee meeting under the **National Technical Textiles Mission**, approved key initiatives, including funding for startups under the **GREAT scheme**.

#### Key Features of the GREAT Scheme

- It is an initiative under the **National Technical Textiles Mission (NTTM)** by the Ministry of Textiles.
- Provides funding of **up to INR 50 lakhs per startup**.
- Focuses on critical areas like medical textiles, industrial textiles, and protective textiles.
- Encourages R&D, product development, and commercialization of innovative textile solutions.

Source: PIB

## BEGGAR-THY-NEIGHBOUR POLICIES

#### In News

- The concept of beggar-thy-neighbour policies is in the news primarily due to the rise of protectionist measures by major economies.

#### About Beggar-thy-neighbour Policies

- It refers to protectionist measures aimed at **benefiting a country's economy** at the **expense of others**.
- **Common examples** include trade wars (imposing tariffs and quotas) and currency wars (depreciating a country's currency to boost exports and discourage imports).

#### Origins

- The term was coined by Adam Smith in his 1776 book, *The Wealth of Nations*.
  - ♦ Smith criticized mercantilists, who advocated protectionism, believing it would benefit one country while impoverishing others.
  - ♦ Smith supported free trade, believing it would enrich all countries involved in it.

#### Various Arguments

- **Proponents** argue that these policies help important industries, **protect jobs, and safeguard national security**.
  - ♦ Central banks argue that depreciating a currency makes exports cheaper, boosting exports while making imports more expensive, **leading to a trade surplus**.
- **Critics** argue that such policies can make all countries poorer, especially when retaliatory measures are taken (e.g., tit-for-tat tariffs and devaluations).
  - ♦ The Great Depression was partly caused by retaliatory tariffs and competitive currency devaluations during the 1920s and 1930s.
- **Recent concerns:** Countries like China and Japan have been accused of devaluing their currencies to gain trade advantages, and the rise of populism (e.g., Trump's tariffs) has raised fears of renewed protectionism.
  - ♦ These policies benefit domestic producers but harm consumers who face higher prices due to reduced competition.
  - ♦ Example: U.S. tariffs on Chinese imports help American producers but lead to higher prices for U.S. consumers.

Source :TH