



Beggar-thy-Neighbour Policy

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The **US** imposed **tariffs** on imports from **China, Canada and Mexico** as part of **Beggar-thy-neighbour policy**.

- **About Beggar-thy-Neighbour Policy:** It is a [protectionist strategy](#) that involves measures like **trade barriers**, [currency devaluation](#), and **subsidies**, to **improve its own economic situation** at the **expense of other nations**.
- **Origins:** **Adam Smith** coined the term in **The Wealth of Nations (1776)**, **criticizing mercantilism** that **impoverishes others** and advocating **free trade** for all nations' benefit.
- **Supporters' Arguments:** Help **boost the domestic economy** by protecting **important industries** and **jobs**.
 - Currency devaluation can **reduce export costs and increase import prices**, possibly resulting in a **trade surplus**.
- **Critics' Arguments:** Countries imposing such policies often face **retaliatory tariffs**, leading to a **decline in global trade and investment**. E.g., the **Great Depression (1929-39)**.
 - Benefit domestic producers but **harm consumers** due to higher prices from **reduced foreign competition**.
- **Alternative View:** Countries should **refrain from retaliating** and instead adopt **unilateral free trade**.

Read More: [Trade War](#)

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