

What is Cobra effect in Political economy

This refers to the phenomenon wherein policies that are aimed at addressing a problem only manage to worsen it by leading to some unintended consequences. The term originates from the story of a policy pursued by the British colonial government in India to tackle the menace caused by a huge population of cobras out in the open. It tried to incentivise the capture of cobras by providing a bounty, but the policy led to an actual increase in the cobra population as people began to breed new cobras in order to seek the bounty. The cobra effect is usually cited to emphasise that good intention alone does not necessarily translate into desirable results.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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