

# International Relations and Diplomacy (60 Marks)

## 2.1 Basic knowledge of International Relations and Diplomacy

**2.1.1 Meaning of International Relations**

**2.1.2 Scope of International Relations**

**2.1.3 Definition of Diplomacy**

**2.1.4 Nature of Diplomacy**

## 2.1.1 Meaning of International Relations

- **International relation is a branch of political science concerned with relations between nations and primarily with foreign policies.**
- **It studies foreign affairs and relations among states and non-state actors within international system.**
- **It is concerned with the factors and activities which affect the external policies and the power of the basic units into which the world is divided.**

# Definitions of International Relations

- “International relations is the branch of political science that studies relations between countries of the world.” (Encarta).
- International relations studies foreign relations, diplomacy, agreements and pacts, international law, international organizations, inter-state interaction, war and peace, international justice and alliances etc.
- International Relations as a field of study covers the factors and processes that affect the interactions among states and non-state actors across national boundaries.
- International Relations is the study of conflict and cooperation by international actors, as furthered by the development and testing of hypotheses about international outcomes.
- International relations (IR) is the study of relationships between countries, including the roles of States, Inter- governmental Organization (IGOs), International Non-governmental Organization (INGOs), Non-governmental Organization (NGOs) and Multinational Corporations (MNCs).

## 2.1.2 Scope of International Relations

The core concepts of international relations are:

- International Organization,
- International Law,
- Foreign Policy,                      \*International Conflict,
- International Economic Relations
- Military Thought and Strategy
- International/Regional Security,C
- Strategic Studies,
- International Political Economy,
- Conflict/War and Peace Studies,
- Globalization,                      \*International Regimes.

## **It also covers**

- **state sovereignty,**
- **ecological sustainability,**
- **nuclear proliferation,**
- **nationalism,**
- **economic development,**
- **terrorism,**
- **organized crime,**
- **human security,**
- **foreign interventionism**
- **and human rights.**

# What does IR do?

- IR studies relations between states in their political and economic prospects primarily.
  - IR covers the realm of 'foreign affairs' in all its dimensions.
  - IR deals with the recording and studying of International History with the aim to find out the basis of states' relations in the past.
  - IR studies International Law in the context of how international rules define and govern the relations between states.
  - IR embodies its scope with the inclusion of not only states but also the non-state actors in international relations.
  - War
  - Nuclear world
  - Globalization
  - Conflicts among states
  - National powers and interests
- |                                    |
|------------------------------------|
| Peace                              |
| International political economy    |
| International institutions         |
| Foreign policy and decision making |

# Conclusion

- **International Relations has a wider scope. The points elaborated above as its scope are not final. This discipline broadens its scope with the changing events of the world and new dynamics of international relations. It is a subject along with being a practical course adopted by nations of the world and the international institutions.**

## 2.1.3 Definition of Diplomacy

- The art and practice of conducting negotiations between nations or the skill in handling affairs without arousing hostility.
- Diplomacy is the art and practice of conducting negotiations between representatives of states. It usually refers to international diplomacy, the conduct of international relations.
- The profession, activity or skill of managing international relations, typically by a country's representatives abroad.
- The art and practice of conducting international relations by negotiating alliances, treaties, agreements etc., bilaterally or multilaterally, between states and sometimes international organisms, or even between policies with varying status, such as those of monarchs and their princely vassals or the tact and subtle skill in dealing with people so as to avoid or settle hostility.
- The art or practice of conducting international relations, as in negotiating alliances, treaties, and agreements.



Diplomacy is concerned with four basic tasks;

- **Qutreach**-negotiation, persuasion, contact etc.
- **Feedback**- reporting
- **Servicing**- routine tasks, protocol,
- **Management**- Internal oversight and audit

# Diplomacy

- **Diplomacy is the means by which governments seek to achieve their objectives and the principles they seek to advance in international affairs.**
- **Diplomacy is the process by which policies are converted from rhetoric to realities from strategic generalities to the detailed actions or interactions of the governments.**
- **It is the application of intelligence and tact to the conduct of official relations between the states and non-state actors.**

# Meaning and Definition

- The word 'Diplomacy' is derived from the Greek word, 'Diploma' which means doing double work. The art of diplomacy was found to be used by the Roman Empire for the first time by sending her officers with copper plate certificate.
- Traditionally diplomacy was treated as the dirty, treachery and silly game which is no more than deception. But, notably the organized diplomacy dates back to the congress of Vienna 1815.
- "Diplomacy is the management of international relations by means of negotiations; the method by which these relations are adjusted and managed by ambassadors and envoys the business or art of the diplomats" —Harold Nicholson.
- Diplomacy is a basic means by which a nation seeks to secure the goals of its national interest. Foreign policy always travels on the shoulders of diplomacy and gets operationalized in other states.

## Nature of Diplomacy:

- **(1) Diplomacy is not Immoral:**
- **(2) Diplomacy is a means of International Relations:**
- **(3) Diplomacy is machinery for action:**
- **(4) Diplomacy acts through Settled Procedures:**
- **(5) Bilateral as well as Multilateral in Form:**
- **(6) Diplomacy handles all types of Matters:**

# Nature of Diplomacy:

**(7) Breakdown of Diplomacy always leads to Crisis:**

**(8) Diplomacy operates both in times of Peace as well as War:**

**(9) Diplomacy works in an environment characterised both by Conflict and Cooperation:**

**(10) Diplomacy always works for securing national interests of the nation it represents:**

**(11) Diplomacy is backed by National Power. Diplomacy is backed by national power:**

**(12) Test of Success of Diplomacy:**

**Success in Diplomacy is measured in terms of the amount of success achieved towards the fulfillment of the goals of national interest in international relations.**

# Objectives of Diplomacy

- **(1) Political Objectives of Diplomacy:**

- Diplomacy always works to secure the goals of national interest as defined by the foreign policy. It always works for increasing the influence of the state over other states. It uses persuasion, promises of rewards and other such means for this purpose. Through rational negotiations, it seeks to justify the objectives of the foreign policy of the nation. It seeks to promote friendship and cooperation with other nations.

- **(2) Non-political Objectives of Diplomacy:**

- The interdependence among nations is the most important and valuable fact of international living. Each nation depends upon others for economic and industrial links and trade. Diplomacy always seeks to promote the economic, commercial and cultural links of the nation with other nations. Diplomacy depends upon peaceful means, persuasive methods for promoting the interests of the nation and this is indeed an important non-political objective of Diplomacy.

## Means of Diplomacy:

- **Six Main Devices of Diplomacy:**
- **(i) Persuasion:**
- **(ii) Rewards:**
- **(iii) Promise of Reward and Concessions:**
- **(iv) Threat of use of Force:.**
- **(v) Non-violent Punishment:**
- **(vi) Use of Pressure:**

## Major Functions:

**(1) Ceremonial/Symbolic Functions:**

**(2) Representation:**

**(3) Negotiations:**

**(4) Reporting:**

**(5) Protection of Interests:**



# Features of Diplomacy

- **Implementing foreign policy**
- **Work of diplomat**
- **Trained personal and their works**
- **Essential during war and peace**
- **Implementing national interest**
- **Compromise-threat**
- **Diplomacy is related to both persuasion and penalty**

# Features of Diplomacy

- **Diplomacy helps to deduce the burden and the problems**
- **Diplomacy discusses separately between multi-cultural agenda and cross-cultural agenda**
- **Probability of both negotiations and bargaining**
- **Diplomacy is the management of a programme**
- **Diplomacy ends in war and emerges when war ends**
- **The success and failure of foreign policy depends upon diplomacy.**

# Types of Diplomacy

## 2.2 Basic knowledge of International Law and Treaties

- 2.2.1 Definition of State, Recognition of State and Government
- 2.2.2 Meaning of Sovereignty
- 2.2.3 Sources of International Law
- 2.2.4 Definition of Treaties
- 2.2.5 Forms of Treaties (Conventions, Agreements, Exchange of Notes, Declarations, Charter and Memorandum of Understandings (MoUs))

# Introduction to the International Law and Treaties

- **International law is the body of legal rules, norms, regulations, accepted practices and standards that apply between sovereign states and other entities that are legally recognized as international actors.**
- **International law is needed to conduct international relations, to maintain world peace and order to create a good and friendly relationship between states.**
- **“International law is defined as those customary and conventional rules considered by civilized states as legally binding in their mutual intercourse”—Oppenheim**
- **International law defines the rights, limits a state’s freedom of action, and prescribes rules of conduct for all types of transactions- technical, commercial, diplomatic and military.**

# Definitions

- **International law is the set of rules generally regarded and accepted as binding in relations between states and between nations. It serves as a framework for the practice of stable and organized international relations.**
- **International law is a combination of treaties and customs which regulates the conduct of states amongst themselves, and persons who trade or have legal relationships which involve the jurisdiction of more than one state.**
- **International law is a collection of rules governing relations between states.**
- **In its broadest sense, international law provides normative guidelines as well as methods, mechanisms, and a common conceptual language to international actors—i.e., primarily sovereign states but also increasingly international organizations and some individuals.**

# Features of International Law

- It is a collection of principles and rules.
- It controls the reciprocal activities of the states.
- It is accepted by states or international community.
- It is a limit imposed upon states by themselves.
- It is obeyed on the basis of goodwill and responsibility.
- It has no legislature.
- There is no executive or governing entity.
- There is no system of court.

# Features of International Law

- There is no unified system of sanctions.
- It is primarily formulated by international agreements and customary rules.
- It has no binding rules.
- It is a mean of establishing International Relations.
- It creates rights and responsibilities for international personalities.
- It treats equally to all the nations.
- International law is the reflection of foreign policy.
- It respects the supremacy of sovereignty of states.



# Importance of International law

- **The important contribution of international law is that it has established the principles of the expected international conduct.**
- **It has created set of rules and procedures for international relations.**
- **It has created equal rights and obligations to all the states.**
- **It has protected sovereignty and territorial integrity of all nations.**
- **It is one of the aspects in total international relations**
- **Legal and political disputes , violations of human rights can be solved.**
- **It does not have force behind it.**

# Importance of International law

- It is immensely crucial to maintain world peace.
- Globalization has been possible due to international law.
- Trade liberalization, free trade zone, and multinational companies are also the product of international law.
- It has remained one of the most effective and powerful tool to settle down the disputes and conflicts of the world.
- It has been successful to create equality, obligations and rights among the states.
- International law is most significant to ensure human rights and democracy in the world.

# Drawbacks

- **It lacks a coherent body of codified law.**
- **It has no executive or governing body.**
- **There is no unified system of sanction.**
- **There is no legislative body**
- **There is no system of court.**
- **It has no binding rules.**
- **It can not interfere in the internal matter of states.**

# Scopes of International Law

- Law of peace
- Control of inter-state relationship
- Law of war
- Law of neutrality
- International organizations
- Human rights and fundamental freedoms of individuals
- Specialized agencies of UNO
- Disarmament and world peace

# Scopes of International Law

- **Globalization, Liberalization and privatization**
- **The law of the sea and air**
- **State responsibility**
- **Law of treaties**
- **Refugees and asylum**
- **Extradition**
- **State succession**

# Definition of Treaties

- A treaty is an agreement in the written form between nation-states or any other international personality that is intended to establish relationship governed by international law.
- It may be contained in a single instrument or in two or more related instruments such as exchange of diplomatic notes.
- Various terms have been used for such an agreement including treaty, convention, protocol, declaration, charter, covenant, pact, act, statute, exchange of notes, agreement and understanding.
- According to Vienna Convention –“ A treaty is defined as an international agreement concluded between states in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments and whatever is particular designation is.”

# Definition of Treaties

- A treaty is an agreement in written form between nation-states (or international agencies, such as the United Nations, that have been given treaty-making capacity by the states that created them) that is intended to establish a relationship governed by International Law.
- A treaty is basically an agreement between parties on the international scene. Although treaties may be concluded or made between states and international organizations, they are primarily concerned with relations between states.
- It is a formal agreement entered into force between states and international organizations to define or modify their mutual duties and obligation. It is also called legislation of international law.

# Characteristics of treaty

- It is an agreement between two or more than two parties.
- The parties of the treaty must have international personalities.
- It creates rights and obligations to the parties of the treaty.
- It is governed by international law.
- It can be either written or non written.
- It is an important source of international law
- It functions so long as the parties involved are obliged by the conditions and provisions made in it.
- It defines or modifies mutual duties and obligations.



# Importance of Treaties

- For peaceful settlement of disputes between international personalities.
- To make international law
- To establish international organizations like UNO
- To create rights and responsibilities between and among states and international organizations
- To give consent to international legal system
- For trade, economic assistance, air transportation, distribution of common resources, cultural exchange and assistance, scientific and technical assistance and exchange, extradition of criminals, treaties are concluded.



# Importance of Treaties

- For non- aggression and protection of territorial integrity of states.
- For conservation of environment and living things
- For protection of human rights
- It is a main source of international law
- It is a mean of cooperation among states
- It makes international relation predictable and participatory.
- It guides international relations

## 2.2.1 Definition of State, Recognition of State and Government

- **State is very essential and permanent organization. It claims and tries to enforce sovereignty and it is the most powerful and universal socio-political organization. A state has got legal power to exercise at optimum level. It is free and independent organization.**
- **State is a political concept that refers to the exercise of power or ability to enforce rules. A state has got its own population, boundary, sovereignty and independence.**
- **A nation or territory considered as an organized political community under one government.**
- **To sum up, we can define state as a society of people politically organized within a definite territory, having its own government with coercive power to enforce obedience and which is free from external control.**
- **Geographical area within defined territorial boundaries and with a distinct set of political institutions, ruled by a government through laws conformance to which is imposed by force (if necessary) in the common interest.**

# Characteristics of State

- A state is characterized by recognized boundaries, a permanent population, centralized institutions, an organized economy and a government.
- A state is a political entity that is self-governing.
- Most states have sovereignty, which means other states do not have power over their territories.
- Different governments come to power in continuous succession to serve a state. States are immaterial, while governments are the people who exercise state power.
- States may be classified as sovereign if they are not dependent on, or subject to, any other power or state.
- The concept of the state is different from the concept of government.
- In classical thought, the state was identified with political society and civil society as a form of political community.

## Elements of the state

- **Population**
- **Defined territory**
- **Government**
- **Sovereignty**
- **Independence**

# Recognition of state and government

- **Recognition is a method of accepting certain factual situations and endowing them with legal significance, but this relationship is a complicated one.**
- **Under the realm of international, it is generally understood as an act of recognizing or the state of being recognized.**
- **The doctrine of recognition is primarily concerned with recognition of the new states and the heads of new governments and recognition of entities entitled as insurgent government.**
- **Recognition is process whereby certain facts are accepted and endowed with a certain legal status, such as statehood, sovereignty over newly acquired territory, or the international effects of the grant of nationality.**
- **Recognition of states essentially means acceptance of it as fully independent and sovereign member of the community of nations. The process of recognizing a state as a new entity that conforms to the criteria of statehood is a political one, each country deciding for itself whether to extend such acknowledgement.**
- **It is purely a political judgement clothed in legal terminology.**

# Recognition

- **‘Recognition is a statement by an international legal person as to the status of another real or alleged international person or the validity of a factual situation.’ – Malcolm N. Shaw**
- **‘Recognition of a state as a member of international community of nations is the expression by existing nations that the new nation contains elements of a state. After recognition, the state gets international rights and obligation and thus becomes a subject of international law. ‘– Oppenheim**



# Criteria for Recognition

- **Clearly defined territory with a population**
- **An organized government with effective control over that territory,**
- **A capacity to act effectively to conduct foreign relations,**
- **A capacity to fulfill international obligations**
- **Respect for rules of law, democracy and human rights,**
- **Guarantees for the rights of ethnic and national groups and minorities,**
- **Respect for the inviolability of all frontiers**
- **Acceptance of all relevant commitments with regards to disarmament and nuclear-proliferation as well security and regional stability,**
- **Commitment to the pacific settlements of international disputes.**

# Effects of Recognition of state

- **Establishment of bilateral relationship between recognizing state and recognized state.**
- **The states can sue and be sued in each other's domestic court.**
- **All the laws of the recognized state are recognized and honoured by the court of the recognizing state.**
- **Both states can enjoy diplomatic immunities and privileges in each other's country.**
- **The recognized state gets the authority to use its properties present in the recognizing state**
- **The newly recognized state becomes a subject of international law.**
- **It increases internal stability and external prestige of a country.**
- **Acts of recognized state are given effect**
- **The recognized state can be financially integrated in the globalization.**

## 2.3 Nepal and the United Nations, its Specialized Agencies & International Financial Institution



## 2.3.1 Principles and purposes of the United Nations

- The United Nations Organization(UNO) or simply United Nations(UN) is an international organization whose stated aims are facilitating cooperation in international law, international security, economic development, social progress, human rights and achieving of world peace.
- The charter of the UNO was signed on 26 June 1945, in San Francisco, and came into force on 24 October, 1945.
- The United Nations system is based on six principal organs; The General Assembly, The Security Council, The Economic and Social Council, The Secretariat, The International Court of Justice and The Trusteeship Council(the Trusteeship Council suspended operations in 1994 so it is not in function now.)
- It replaced League of Nations.

# The United Nations: Aims, Organs and Other Details

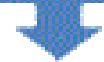
- The world witnessed two devastating wars in the 20th century. Millions of people were killed, wounded, maimed, crippled and rendered homeless.
- The horror and tragedy of the First World War led to a universal desire for peace.
- It was felt that some international organization should be created to prevent future wars. Out of this desire was born the League of Nations. The primary aim of the League of Nations was to preserve peace and promote international cooperation.
- **The Atlantic charter:**
- Even before the end of the war, in August 1941, the U.S. President, Franklin Roosevelt, and the British Prime Minister, Winston Churchill, met on a battleship, 'the Cruiser', in the mid-Atlantic and drew up the Atlantic Charter which was released on 14 August, 1941.

# The United Nations: Aims, Organs and Other Details

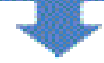
- **United Nations declaration or the Washington declaration:**
- On 1 January, 1942, representatives of 26 Allied countries met in Washington and signed a Declaration of United Nations. The signatories endorsed the principles of the Atlantic Charter. This was the first time that the term 'United Nations' was used.
- The UN Charter finally emerged after three major conferences—the Dumbarton Oaks Conference (1944), the Yalta Conference (1945) and the San Francisco Conference (1945).
- Membership of the United Nations was to be opened to all peace-loving states. Representatives of fifty nations met at San Francisco to sign the Atlantic Charter. Poland signed it later and became one of the original 51 member states.

# History

The Atlantic Charter was signed in August 1941. It proposed a set of principles for International collaboration in maintaining peace and security



Representatives of 26 allied countries signed the 'Declaration by United Nations' on January 1, 1942



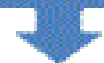
Moscow and Tehran conference which called for an International Organisation for Peace and security



The first blueprint of the UN was prepared at a Dumbarton Oaks conference, ran from 21 September to 7 October 1944



Yalta Conference of Big Three (US, U.K., Russia) in Feb, 1945, declared resolve to establish "a general international organization to maintain peace and security".



2 Month long UN Conference in San Francisco, delegates drew up the 111-article Charter, which was adopted unanimously



June 1945, Signing of UN treaty

# Aims of the United Nations:

- **The objectives of the United Nations, according to its Charter, are:**
- To maintain international peace and security.
- To develop friendly relations among nations on the basis of equality and the principle of self-determination.
- To foster worldwide cooperation in solving economic, social, cultural and humanitarian problems.
- To promote human rights and fundamental freedom for the people of the world.
- To serve as a centre where various nations can coordinate their activities towards the attainment of the objectives of the United Nations.
- To save succeeding generations from the scourge of war.



# The Principles of UNO

- The United Nations Charter lists basic principles that the organization and member states agree to respect. Some of these are designed to limit the power of the organization.
- One of these is the principle of sovereign equality. Another is the principle of nonintervention. Other principles emphasize the use of peaceful means for settling disputes. The United Nations also tries to prevent nonmembers from doing anything to disturb the peace.
- The Principles of UNO
- All member states are sovereign and equal.
- All are pledged to fulfill their obligations under the Charter in good faith.
- All are pledged to settle their international disputes by peaceful means and without endangering international peace, security and justice.
- They are to refrain in their international relations from the threat or use of force against any other state.
- They are to give the UN every assistance in any action it takes in accordance with

# Membership to the United Nations:

- Today, almost every independent state is member in the UN. Membership in the UN is open to all other peace-loving states which accept the obligations contained in the present Charter and, in the judgment of the Organization, are able and willing to carry out these obligations. To attain Membership to the UN the following five conditions must be fulfilled:
  - (1) It must be an independent State.
  - (2) It must be peace-loving.
  - (3) It must accept the obligations of the Charter.
  - (4) It must be able to carry out these obligations.
  - (5) It must be willing to do so.
- After fulfilling such conditions a new member state may be admitted to the UN on the affirmative recommendation of the Security Council and by the election of the General Assembly, by two-thirds majority. The admission of membership is an important matter it required the affirmative vote of nine Members of the Security Council including its five permanent Members. The membership shall become effective on the date on which the General Assembly takes its decision on the application.

# The organs of the United Nations:

- **The UN has six principal organs to carry out its functions:**
- **The General Assembly,**
- **The Security Council,**
- **The Economic and Social Council,**
- **The Trusteeship Council,**
- **The International Court of Justice and**
- **The Secretariat**

# The General Assembly:

- The General Assembly is the largest organ of the UN. All members of the UN are members of the General Assembly. Each state can send up to five representatives but is entitled to one vote in the Assembly. This ensures that all the member states have equal status.
- The General Assembly meets once a year for three months. But special sessions may be held during times of crisis. At the beginning of every session, the Assembly elects a new President.

# Functions of the General Assembly

- It can discuss any matter affecting international peace and security.
- It makes recommendations for peaceful settlements of disputes.
- It passes the budget of the UN.
- It elects the non-permanent members of the Security Council.
- It also elects the members of the Economic and Social Council and the Trusteeship Council.
- It admits new members to the UN on the recommendation of the Security Council.
- The Security Council and the General Assembly elect the members of the International Court of Justice.
- In recent years the General Assembly has increased its power through a resolution called Uniting for Peace Resolution. The General Assembly can make recommendations for “collective measures, including the use of armed forces”, in case the Security Council is unable to take a decision during a crisis.

# The Security Council:

- The Security Council is the most important and effective organ of the UN. It is the executive wing of the UN. The Security Council consists of 15 members. Five of them are permanent members, namely Britain, China, France, Russia and the USA.
- Each permanent member has the power to reject or veto a decision. This means a negative vote by any one of the permanent members would lead to a cancellation of the resolution.
- The Council is powerless to act if there is such a veto by any permanent member although it may be supported by all other permanent members.
- The Security Council has the basic responsibility of maintaining peace and security in the world.

## Functions of the Security Council:

- **To maintain international peace and security in the world.**
- **To investigate international disputes and recommend appropriate methods of settling them.**
- **To call on member states to apply economic sanctions against the aggressor and thus to put pressure on the guilty state to stop aggression.**
- **The Security Council may take military action against the aggressor, if required.**

# The Economic and Social Council

- The Economic and Social Council works under the general guidance and control of the General Assembly. It is composed of 54 member nations that serve 3-year terms. (Eighteen are elected per year). There are no permanent members.
- The council deals with major economic and social concerns. These include economic development, land reform, and control of narcotics.
- The ECOSOC discusses major economic and social issues. It is mainly concerned with the management of the UN's social, economic, cultural and humanitarian activities.
- Its main functions are as follows:
  - To promote economic and social progress.
  - To solve problems relating to health, illiteracy, unemployment, etc.
  - To coordinate the functions of the agencies of the UN like(IMF), (ILO), the Food and Agricultural Organization (FAO), (WHO (UNESCO), (UNICEF), etc.



# The Secretariat

- The Secretariat is the principal administrative department of the UN. It is headed by the Secretary-General appointed by the General Assembly on the recommendation of the Security Council for a term of five years. He can be re-elected.
- The secretary-general heads up the Secretariat, the administrative organ of the UN. The secretary-general may bring any matter to the Security Council that seems likely to endanger international peace. The secretary-general appoints the staff of the Secretariat under rules approved by the General Assembly. The staff must be international. That is, each one of the many member nations must be represented.
- The staff of the Secretariat is appointed by the Secretary-General. They are chosen from among the 193 member countries. The Secretary-General holds a key position in the administration of the affairs of the UN.
- He organises conferences, oversees peacekeeping operations, drafts reports on economic and social trends, prepares studies on human rights, mediates in international disputes and prepares budget estimates.

# The International Court of Justice:

- The International Court of Justice, located in The Hague, Netherlands, is the principal judicial organ of the United Nations.
- The Court consists of 15 Judges from different countries elected by the General Assembly and the Security Council. They are elected for a nine-year term. No two judges can be citizens of the same country.
- **Functions of the International Court of Justice:**
  - To settle disputes brought to it by member nations.
  - To provide legal advice to any organ of the UN on request.

# The Trusteeship Council:

- The Trusteeship Council was set up immediately after the Second World War. It was set up to ensure the proper administration and development of those areas of the world that were under foreign rule. The Council was also to take steps to help them attain self-government.

# There specialized agencies

- International Labour Organization (ILO)
- Food and Agriculture Organization (FAO)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- World Health Organization (WHO)
- World Bank Group
- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)
- International Center for Settlement of Investment Disputes (ICSID)
- International Monetary Fund (IMF)
- International Civil Aviation Organization (ICAO)
- International Maritime Organization (IMO)
- International Telecommunication Union (ITU)
- Universal Postal Union (UPU)
- World Meteorological Organization (WMO)
- World Intellectual Property Organization (WIPO)
- International Fund for Agricultural Development (IFAD)
- United Nations Industrial Development Organization (UNIDO)
- United Nations Children's Fund (UNICEF)

## 2.3.4 Nepal and the IMF, World Bank

- **The International Monetary Fund (IMF) is an international organization that provides financial assistance and advice to member countries.**
- **The IMF was born at the end of World War II, out of the Bretton Woods Conference in 1945. It was created out of a need to prevent economic crises like the Great Depression.**
- **It is a specialized agency of the United Nations and is run by its 186 member countries.**
- **The IMF is responsible for the creation and maintenance of the international monetary system, the system by which international payments among countries take place.**
- **It strives to provide a systematic mechanism for foreign exchange transactions in order to foster investment and promote balanced global economic trade.**

## 2.3.4 Nepal and the IMF, World Bank

- **How Does It Work?**
- **The IMF gets its money from quota subscriptions paid by member states. The size of each quota is determined by how much each government can pay according to the size of its economy. The quota in turn determines the weight each country has within the IMF**
- **Twenty-five percent of each country's quota is paid in the form of special drawing rights (SDRs), which are a claim on the freely usable currencies of IMF members.**
- **In 1968, the IMF created the SDRs, which are a kind of international reserve asset.**
- **The SDR can also be used in exchange for other freely-traded currencies of IMF members. A country may do this when it has a deficit and needs more foreign currency to pay its international obligations.**
- **The SDR's value lies in the fact that member states commit to honor their obligations to use and accept SDRs.**

# IMF Benefits

- The IMF offers its assistance in the form of surveillance, which it conducts on a yearly basis for individual countries, regions and the global economy as a whole.
- A financial crisis will result in severe devaluation of the country's currency or a major depletion of the nation's foreign reserves. In return for the IMF's help, a country is usually required to embark on an IMF-monitored economic reform program, otherwise known as Structural Adjustment Policies (SAPs)
- A stand-by agreement offers financing of a short-term balance of payments, usually between 12 to 18 months.
- The extended fund facility (EFF) is a medium-term arrangement by which countries can borrow a certain amount of money, typically over a three- to four-year period.
- The IMF also offers technical assistance to transitional economies in the changeover from centrally planned to market run economies.
- The IMF also offers emergency funds to collapsed economies, as it did for Korea during the 1997 financial crisis in Asia.

# Nepal and IMF

- The IMF's purposes are to promote international monetary co-operation and the balanced growth of international trade, to support international exchange rate stability and the establishment of a multilateral payments system, and to help countries facing external payments dis-equilibrium.
- Nepal joined IMF in 1961 and her quota is 0.03 percent of the total quota, which amounts to SDR\$ 71.3 million (approximately US\$ 100 million). A Poverty Reduction and Growth Facility (PRGF) loan was approved by the IMF's Executive Board in November, 2003
- Directors agreed that monetary and exchange rate policies should remain geared to supporting the exchange rate peg to the Indian rupee, stressing that the peg had served Nepal well given its close links with India.
- They stressed the need for strengthening Nepal Rastra Bank (NRB) supervision of the financial sector. Directors welcomed the appointment of external managers at the two largest insolvent commercial banks, and noted recent steps taken by the new managers to improve the financial condition of the banks.



# World Bank

## **World Bank: its Objectives and Functions**

- The International Bank for Reconstruction and Development (IBRD), commonly referred to as the World Bank, is an international financial institution whose purposes include assisting the development of its member nation's territories, promoting and supplementing private foreign investment and promoting long-range balance growth in international trade.
- The World Bank was established in December 1945 at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire.

## **Organization and Structure:**

The organization of the bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the Loan Committee and the president and other staff members.

All the powers of the bank are vested in the Board of Governors which is the supreme policy making body of the bank.

# Organization and Structure:

- The board consists of one Governor and one Alternative Governor appointed for five years by each member country. Each Governor has the voting power which is related to the financial contribution of the Government which he represents.
- The Board of Executive Directors consists of 21 members, 6 of them are appointed by the six largest shareholders, namely the USA, the UK, West Germany, France, Japan and India. The rest of the 15 members are elected by the remaining countries.

# Objectives:

- The following objectives are assigned by the World Bank:
- To provide long-run capital to member countries for economic reconstruction and development.
- To induce long-run capital investment for assuring Balance of Payments (BoP) equilibrium and balanced development of international trade.
- To provide guarantee for loans granted to small and large units and other projects of member countries.
- To ensure the implementation of development projects so as to bring about a smooth transference from a war-time to peace economy.
- To promote capital investment in member countries by the following ways;
- To provide guarantee on private loans or capital investment.
- If private capital is not available even after providing guarantee, then IBRD provides loans for productive activities on considerate conditions.

# Functions:

- **The main functions can be explained with the help of the following points:**
- **World Bank provides various technical services to the member countries. For this purpose, the Bank has established “The Economic Development Institute” and a Staff College in Washington.**
- **Bank can grant loans to a member country up to 20% of its share in the paid-up capital.**
- **The quantities of loans, interest rate and terms and conditions are determined by the Bank itself.**
- **Generally, Bank grants loans for a particular project duly submitted to the Bank by the member country.**
- **The debtor nation has to repay either in reserve currencies or in the currency in which the loan was sanctioned.**
- **Bank also provides loan to private investors belonging to member countries on its own guarantee, but for this loan private investors have to seek prior permission from those counties where this amount will be collected.**

# Conclusion

- It is not surprising that there is a clash of opinion over how aid is given.
- Indeed, those that offer assistance are going to want to have a say in how the loans are used and what kind of economic policies are fostered in a country's developmental process.
- Many developing and poor nations, however, are stuck in a quagmire of debt and impoverishment, no matter how much assistance they receive.
- Given this, we may need to remember that the process of aid is also a developing state, in which both the giver and the receiver should be helping each other reach a poverty-free world.

## 2.3.5 Nepal and WTO

- **The Uruguay round of GATT (1986-93) gave birth to World Trade Organization. The members of GATT signed an agreement of Uruguay round in April 1994 in Morocco for establishing a new organization named WTO.**
- **It was officially constituted on January 1, 1995 which took the place of GATT as an effective formal, organization. GATT was an informal organization which regulated world trade since 1948.**
- **The World Trade Organization (WTO) deals with the rules of trade between nations at a global or near-global level.**
- **It is an organization for liberalizing trade and a forum for governments to negotiate trade agreements and to settle trade arguments. It also operates a system of trade rules.**

# WTO

- The WTO agreements cover a wide range of activities such as agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food and sanitation regulations and intellectual property.
- Under the WTO agreements, countries cannot normally discriminate between their trading partners.
- In WTO, when countries agree to open their markets to foreign goods or services, they bind their commitments. For goods, these bindings amount to ceilings on customs tariff rates.
- The WTO Agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions.
- They include individual countries commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets.
- They set procedures for settling disputes. They prescribe special treatment

# Structure:

- The WTO has nearly 153 members accounting for over 97% of world trade. Around 30 others are negotiating membership. Decisions are made by the entire membership. This is typically by consensus.
- World Trade Organization is supervised by a highest authority called Ministerial Conference which consists of all the representatives of the member countries. It takes place at least once in a two year to take decisions on all the matters of multilateral trade.
- A majority vote is also possible but it has never been used in the WTO and was extremely rare under the WTO's predecessor, GATT. The WTO's agreements have been ratified in all members' parliaments.

## Secretariat:

- The WTO secretariat, based in Geneva, has around 600 staff and is headed by a Director-General. Its annual budget is roughly 160 million Swiss Francs. It does not have branch offices outside Geneva. Since decisions are taken by the members themselves, the secretariat does not have the decision making the role that other international bureaucracies are given.



# The important objectives of WTO are:

- 1. To improve the standard of living of people in the member countries.**
- 2. To ensure full employment and broad increase in effective demand.**
- 3. To enlarge production and trade of goods.**
- 4. To increase the trade of services.**
- 5. To ensure optimum utilization of world resources.**
- 6. To protect the environment.**
- 7. To accept the concept of sustainable development.**
- 8. To implement the new world trade system as visualised in the Agreement;**
- 9. To ensure that developing countries secure a better balance in the sharing of the advantages.**
- 10. To demolish all hurdles to an open world trading system**
- 11. To enhance competitiveness among all trading partners**
- 12. To increase the level of production and productivity**

# The main functions of WTO

- 1. To implement rules and provisions related to trade policy review mechanism.**
- 2. To provide a platform to member countries to decide future strategies related to trade and tariff.**
- 3. To provide facilities for implementation, administration and operation of multilateral and bilateral agreements of the world trade.**
- 4. To administer the rules and processes related to dispute settlement.**
- 5. To ensure the optimum use of world resources.**
- 6. To assist international organizations such as, IMF and IBRD for establishing coherence in Universal Economic Policy determination.**
- 7. To deal with regulation of trade between participating countries.**
- 8. To provide framework for negotiations and formalization of trade agreements**
- 9. It is responsible for enforcing trade laws and agreements**
- 10. To provide framework for dispute settlements.**

# Benefits of WTO in Nepal

- **Market access opportunities**
- **Policy stability**
- **Attract foreign direct investment**
- **Gearing up domestic institutional capability**
- **Benefits of positive discrimination**
- **Establishment of trade and transit rights**
- **Opportunities for WTO membership:**
- **Government will become more rational in decision-making**
- **Rent seeking activities will decrease**
- **Problem of transit will be less**
- **Provisions of technical support**

## 2.3.6 Nepal and ADB

- The Asian Development Bank (ADB) is a multilateral development finance institution whose mission is to reduce poverty in the Asia Pacific region. Although the ADB claims to operate in the interest of Asia's poorest citizens, civil society groups have long been concerned about the ADB's role in promoting sustainable and equitable growth in the region.
- The ADB was founded in 1966 with the goal of eradicating poverty in the region. With over 1.9 billion people living on less than \$2 a day in Asia, the institution has a formidable challenge.

**It plays the following functions for countries in the Asia Pacific region:**

- i. Provides loans and equity investments to its Developing Member Countries (DMCs)
- ii. Provides technical assistance for the planning and execution of development projects and programs and for advisory services
- iii. Promotes and facilitates investment of public and private capital for development
- iv. Assists in coordinating development policies and plans of its DMCs

# ADB

- **Membership:**

- From 31 members at its establishment in 1966, ADB has grown to encompass 67 members of which 48 are from within the Asia and Pacific region and 19 outside. Georgia is the 67th and newest member, having joined ADB effective 2 February 2007.

## **Organization Structure:**

- The highest decision making tier at ADB is its Board of Governors, to which each of ADB's 67 members nominate one Governor and an Alternate Governor to represent them. The Board of Governors meets formally once a year at an Annual Meeting held in a member country.
- The Governors' day to day responsibilities are largely delegated to the 12-person Board of Directors, which performs its duties full time at ADB's Head Quarters in Manila.
- The ADB President, under the Board's direction, conducts the business of ADB. The President is elected by the Board of Governors for a term of five years and may be re-elected.

# ADB

**In this context, it will focus on five core areas of operation:**

- Infrastructure
- Environment, including climate change
- Regional Cooperation and Integration
- Finance Sector Development
- Education
- ADB will continue to operate on a more selective basis in health, agriculture and disaster and emergency assistance.

**ADB will focus its efforts on five drivers of change in the region:**

- Private sector development and private sector operations
- Good governance and capacity development
- Gender equity
- Knowledge solutions
- Partnerships

# ADB

## **The Bank's principal functions are:**

- (i) To make loans and equity investments for the economic and social advancement of developing member countries;
- (ii) To provide technical assistance for the preparation and execution of development projects and programmes and advisory services
- (iii) To promote investment of public and private capital for development purposes; and
- (iv) To respond to requests for assistance in coordinating development policies and plans of member countries.
- In its operations, the Bank is also required to give special attention to the needs of the smaller or less developed countries and give priority to regional, sub-regional and national projects and programmes which will contribute to the harmonious economic growth of the region as a whole.

## 2.4.2.2 Group of 77 (G-77)





## Group of 77 (G-77)

- **Group of 77 (G-77)**, loose alliance of developing countries established on June 15, 1964. The name of the group derives from the 77 original signatories to the Joint Declaration of the Seventy-Seven Countries at the conclusion of the United Nations Conference on Trade and Development (UNCTAD) in Geneva.
- The primary goals of the G-77 are to maintain the independence and sovereignty of all developing countries, to defend the economic interests of member countries by insisting on equal standing with developed countries in the global marketplace, to establish a united front on issues of common concern, and to strengthen ties between member countries.
- Because of the historical significance of the meeting, the name G-77 has been kept despite the group's growth to include more than 130 countries.

# Group of 77

- The largest intergovernmental organization of developing nations in the United Nations.
- It was created on June 15, 1964 and has since expanded to 130 members.
- The group enables countries to jointly leverage their negotiating capacity related to major international economic issues within the U.N. and "promote their collective economic interests."
- The group also works to more rapidly facilitate South-South cooperative efforts to foster development.
- The basic principles of the G-77 were outlined in the Charter of Algiers, which was adopted in 1967. The G-77 subsequently developed an institutional structure consisting of five chapters based in Geneva, Nairobi, Paris, Rome, and Vienna and an Intergovernmental Group of 24 based in Washington, D.C.
- Each chapter has a chairperson appointed on a one-year rotating basis from one of its member countries.

# Objectives of Group of 77

- To attach singular importance to the establishment of international machinery in the field of trade and development.
- It is vitally necessary that this machinery should be an effective instrument for the discussion of issues, the formulation of policies, the review of results, and for taking such operational measures as are needed in the sphere of international economic relations.
- The developing countries attach cardinal importance to democratic procedure which affords no position of privilege in the economic and financial, no less than in the political sphere.
- Furthermore, the developing countries would stress the need for continued evolution in the institutional field, leading not merely to the progressive strengthening of the machinery.
- They believe that it is this unity that has given clarity and coherence to the discussions of this group.
- The developing countries have a strong conviction that there is a vital need to maintain, and strengthen further, this unity in the years ahead.
- This unity is also an instrument for enlarging the area cooperative endeavor in the international economic field.
- The G77 proceeded to create abroad setting of objectives to address common problems.

# Functions

- **Makes statements, sponsors and negotiates resolutions and decisions at global conferences and other meetings held under the aegis of the United Nations dealing with international economic cooperation and development.**
- **Sponsors projects on ECDC/TCDC in developing countries through funding from the Perez-Guerrero Trust Fund.**
- **The G-77 has been an important negotiating coalition for developing countries for almost 50 years, and has coordinated their positions on climate change for 20 years.**

**The G-77's perspective is unlikely to shape the final outcome. The BASIC countries showed themselves to be seriously divided over climate action at Durban, especially on the question of their own action. Without agreement on that fundamental question, the BASIC coalition seems unlikely to continue to play a central role in climate negotiations.**

## 2.4.2.3 Non-Aligned Movement (NAM)

- The Non-Aligned Movement (NAM) is an international organization (group of countries) who do not want to be officially aligned (friends) with or against any major power bloc (group of countries). In 2012, the movement had 120 members and 15 observer countries.
- The group was started in Belgrade in 1961. All five leaders believed that developing countries should not help either the Western or Eastern blocs in the Cold War.
- They also believed that developing countries should not be capitalist or communist, but should try to find a different way to help their people.
- the purpose is the organization is to help countries keep their "the national independence, sovereignty, territorial integrity and security of non-aligned countries" in their "struggle against imperialism, colonialism, neo-colonialism, racism, and all forms of foreign aggression, occupation, domination, interference or hegemony as well as against great power and bloc politics"

# Objectives

**The Non-Aligned Movement was formed during the Cold War, largely on the initiative of then-Yugoslav President Josip Broz Tito, as an organization of States that did not seek to formally align themselves with either the United States or the Soviet Union, but sought to remain independent or neutral.**

- Preserve the independence, Territorial integrity and sovereignty of the states.**
- Attain general and complete disarmament under effective international control.**
- Grant right to self-determination to people under colonial or other forms of alien domination.**
- Achieve equality among nations.**
- Extend full respect for international law**
- Seek pacific settlement of disputes.**
- Democratize international relations**
- Attain economic and social development of member nations**
- Set up an equitable international order.**

# Principles

- **Global peace and disarmament**
- **National independence and preservation of sovereignty**
- **Economic equality among nations**
- **Political cultural identity**
- **Search for universalism**
- **Sound globalization**
- **Recognition of the equality of all races, religions, cultures and all nations, both big and small.**
- **Respect for and promotion of all human rights and fundamental freedoms for all,**
- **Respect for the principles enshrined in the Charter of the United Nations and International Law.**
- **Respect for sovereignty, sovereign equality and territorial integrity of all States.**

# Purposes of NAM

- To promote and reinforce multilateralism and strengthen the central role of UNO
- To serve as a forum to promote and defend the common interests
- To promote unity, solidarity and cooperation between developing countries based on shared values
- To defend international peace and security and settle all international disputes by peaceful means
- To encourage relations of friendship and cooperation between all nations
- To promote and encourage sustainable development through international cooperation
- To encourage the respect, enjoyment and protection of all human rights and fundamental freedoms for all,
- To promote peaceful coexistence between nations, regardless of their political, social or economic systems.
- To promote the strengthening and democratization of the UN



## 2.4.2.4 ASEAN

- **The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand.**

### **Aims and Purposes**

- **To accelerate the economic growth, social progress and cultural development in the region through joint endeavours and partnership.**
- **To promote regional peace and stability through abiding respect for justice and the rule of law**
- **To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;**
- **To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;**
- **To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade**

# Facts

- **‘By uniting we stand, by dividing we fall’**

Association of South East Asian Nations, a regional organization of South East Asia is perhaps the third economic pole of the world after USA and EU.

- **Establishment**

- Bangkok Declaration- 8 August, 1967

- **Head Quarter - Jakarta, Indonesia**

- **Member States**

- Thailand, Indonesia, Singapore, Malaysia & Philippines
- + Brunei(1984), Vietnam(1995), Laos(1997), Myanmar(1997), and Cambodia(1999) = 10

# Principles

- **Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;**
- **The right of every State to lead its national existence free from external interference, subversion or coercion;**
- **Non-interference in the internal affairs of one another;**
- **Settlement of differences or disputes by peaceful manner;**
- **Renunciation of the threat or use of force; and**
- **Effective cooperation among themselves.**
- **respect for fundamental freedoms, the promotion and protection of human rights, and the promotion of social justice;**
- **upholding the United Nations Charter and international law, including international humanitarian law, subscribed to by ASEAN Member States;**
- **abstention from participation in any policy or activity which threatens the sovereignty, territorial integrity or political and economic stability of ASEAN Member States;**
- **respect for the different cultures, languages and religions of the peoples of ASEAN,**
- **the centrality of ASEAN in external political, economic, social and cultural relations while remaining actively engaged, outward-looking, inclusive and non-discriminatory;**

# Objectives

- To accelerate economic growth, social progress and cultural development in the region, and
- To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of UN charter
- To Develop the region as a zone of peace, freedom and neutrality.
- respect for the independence, sovereignty, equality, territorial integrity and national identity of all ASEAN Member States;
- shared commitment and collective responsibility in enhancing regional peace, security and prosperity;
- renunciation of aggression and of the threat or use of force or other actions in any manner inconsistent with international law;
- reliance on peaceful settlement of disputes;
- non-interference in the internal affairs of ASEAN Member States;
- respect for the right of every Member State to lead its national existence free from external interference, subversion and coercion;
- enhanced consultations on matters seriously affecting the common interest of ASEAN;
- adherence to the rule of law, good governance, the principles of democracy and constitutional government;

## 2.4.2.5 European Union (EU)

- The European Union (EU) is an economic and political federation consisting of twenty-seven member countries that make common policy in several areas. The EU was created in 1993 with the signing of the Treaty on European Union, commonly referred to as the Maastricht Treaty, but it was preceded by various European organizations that contributed to the development of the EU.
- The European Union (EU) is a group of 27 countries that operates as a cohesive economic and political block.
- The EU grew out of a desire to form a single European political entity to end the centuries of warfare among European countries that culminated with World War II, which decimated much of the continent.

# History

- The EU had its beginning in the European Coal and Steel Community, in 1950 six members: Belgium, France, Germany, Italy, Luxembourg and the Netherlands.
- European Economic Community (EEC) in 1957 under the Treaty of Rome, and subsequently became the European Community (EC).
- The early focus of the Community was a common agricultural policy as well as the elimination of customs barriers.
- The EC first expanded in 1973 when Denmark, Ireland, the United Kingdom, Greece and Spain joined. A directly elected European Parliament took office in 1979.
- In 1986, the Single European Act solidified the principles of foreign policy cooperation and extended the powers of the community over the members.
- The Maastricht Treaty took effect on Nov. 1, 1993, and the EC was replaced by the EU.

## Objective

- **To promote, throughout the community, a harmonious development of economic activities;**
- **To expand its sphere the influence continuously**
- **To increase the level of life standard and economic stability**
- **To enhance closer relationships among the member states and states outside territory**
- **To bring the harmony in economic policies and establish a common European market**

# Functions

- **Eradication of custom duties among members;**
- **Implementation of unitary economic policy**
- **Avoidance of Quota and quantitative restriction in import and export of goods and services among member states.**
- **Free flow of capital and labour among member nations**
- **Promotion of common market and free competition**
- **Solving the problems and complexities using during transaction of payment of loans**
- **Raising the standard of life of the people of this zone**



# The Euro

- One of the goals of the EU is economic integration and a common European currency.
- EU leaders expect great benefits from the adoption of a single currency.
- International trade within the single currency area will be greatly facilitated by the establishment of what amounts to a single market, complete with uniform pricing and regulation, in place of separate national markets.
- The creation of a single market is also expected to spur increased competition and the development of more niche products, and ease the acquisition of corporate financing, particularly in what would formerly have been international trade among members of the single currency area.
- Finally, in the long term, the establishment of the single currency area should simplify European corporate structures, since in time nearly all regulatory statutes within the single currency area should become uniform.

# Structure

## **Council of Ministers**

- The Council of Ministers comprises representatives, usually the foreign ministers, of member states. The presidency of the council rotates between the members on a semiannual basis.

## **European Commission**

- The European Commission serves as the executive organization of the EU. The Commission enlarges as more countries join. The European Commission seeks to serve the interests of Europe as a whole in matters including external relations, economic affairs, finance, industrial affairs, and agricultural policies.

## **European Parliament**

- The European Parliament comprises representatives of the EU member nations who are selected by direct election in their home countries. the European Parliament has no power to create or implement legislation.

## **Court of Justice**

- The Court of Justice comprises thirteen judges and six advocates general appointed by EU member governments. Its function is to interpret EU laws and regulations, and its decisions are binding on the EU, its member governments, and firms and individuals in EU member states.

## 2.6 Foreign Policy

- Foreign policy is the policy of a sovereign state in its interaction with other sovereign states. (Merriam Webster's Dictionary)
- "Foreign policy is a policy pursued by a nation in its dealings with other nations, designed to achieve national objectives."
- Foreign policy is a plan of action adopted by one nation in regards to its diplomatic dealings with other countries. Foreign policies are established as a systematic way to deal with issues that may arise with other countries.
- Foreign Policy is an extension of domestic or internal policy so one must recognize the fact that no nation state can preserve its independence, sovereignty and territorial integrity without a policy to build its internal strength that comes from the peace and prosperity enjoyed by the people.
- Foreign policy of a state is the substance of foreign relations. It is the systematic statement of deliberately selected national interests. It includes a bundle of principles and practices that regulate state's behavior. Foreign policy, therefore is the external behavior of the nation. It is the a complex interplay of geography, history, tradition, present requirements, perception to the national interests by the ruling elite and the ideological consciousness of the policy makers besides the national and international scenario.

## 2.6 Foreign Policy

- The foreign policy of a country is therefore influenced by many factors broadly categorized into domestic and external categories.

### **In short foreign policy is:**

- Foreign policy of a state is the substance of foreign relations. It is a systematic statement of deliberately selected national interests.
- Foreign policy is based upon general conception of national requirements.
- A country's foreign policy is a set of goals that seeks to outline how that particular country will interact with other countries of world and to a less extent non state actors.
- Foreign policies are designed to help and protect a country's national interests, national security, ideological goals and economic prosperity.
- Foreign policy is an extension of domestic policy so one must recognize the fact that no nation state can preserve its independence, sovereignty and territorial integrity without a policy to build its internal strength that comes from peace and prosperity enjoyed by the people.
- Foreign policy of state is the ratified legal policy aimed at establishing good mutual relationship with other states and international organizations.

## 2.6.1 Determinants of Foreign Policy in general

- **“The Foreign Policy of a nation is always made and implemented with an eye on the situation in various regions of the world.**
- **Foreign Policy can be defined as a set of principles, decisions and means, adopted and followed by a nation for securing her goals of national interest in international relations. Foreign Policy defines the goals of national interest and then tries to secure these through the exercise of national power.**
- **The Foreign Policy of Each Nation Contains:**
  - **1. A set of principles, policies and decisions adopted and followed by the nation in international relations.**
  - **2. Objectives, goals or aims of national interest which are to be secured.**
  - **3. Means to be used for achieving the goals of national interest.**
  - **4. Broad policy principles and decisions for conducting international relations.**
  - **5. Assessment of the gains and failures of the nation in respect of its goals of national interest.**

# Elements of Foreign Policy:

- **1. Size of State Territory:**
- **2. Geographical Factor:**
- **3. Level and Nature of Economic Development:**
- **4. Cultural and Historical Factors:**
- **5. Social Structure:**
- **6. Government Structure:**
- **7. Internal Situation:**
- **8. Values, Talents, Experiences and Personalities of Leaders:**
- **9. Political Accountability:**
- **10. Ideology:**

# Domestic Factors

- **1. Size and population**
- **2. Geography**
- **3. Culture and History**
- **4. Economic Development**
- **5. Technology**
- **6. National Capacity**
- **7. Public Mood and Opinion**
- **8. Political Organization**
- **9. Role of Press**

# Internal Factors

- **Geography**
- **Political system**
- **Military might/ Security prospects**
- **Language**
- **Culture**
- **Religion**
- **Economy**
- **Trade and industrial capability**
- **Leadership**

- **Internal factors**
- **Geography**
- **History**
- **National security**
- **Public opinion**



# External Factors

- International organizations – UNO, WTO. EU, ASEAN, other UN agencies, IMF, WB, ADB
- International law
- Power holding countries and new trends in the world
- Neighbouring countries

## **Policy making factors**

- Attitude of policy makers
- Foreign policy to an extent is reflection of the fundamental instincts to those who make it.

## 2.6.2 Nepal's Foreign Policy in the present context

- Nepal is sandwiched between two giant neighbors—China and India. To the north, the Himalayas constituted a natural and mostly impassible frontier, and beyond that was the border with China.
- Nepal is landlocked by India on three sides and China's Tibet Autonomous Region to the north. West Bengal's narrow Siliguri Corridor or Chicken's Neck separate Nepal and Bangladesh. To the east are India and Bhutan. Nepal depends on India for goods transport facilities and access to the sea, even for most goods imported from China.
- In the 1950s, Nepal began a gradual opening up and a commitment to a policy of neutrality and nonalignment. In 1975, during the coronation address of Late King Birendra, he formally asked other countries to endorse his proposal. Since then, the concept of Nepal as a zone of peace has become a main theme of Kathmandu's foreign policy.

## 2.6.2 Nepal's Foreign Policy in the present context

- **At the beginning of the 1990s, Nepal had established diplomatic relations with approximately 100 countries. Nepal was an active member of the United Nations (UN) and participated in a number of its specialized agencies.**
- **Nepal also was a founding member of the South Asian Association for Regional Cooperation (SAARC) and had successfully negotiated several bilateral and multilateral economic, cultural, and technical assistance programs.**
- **The Federal Democratic Republic of Nepal has traditionally maintained a non-aligned policy and enjoys friendly relations with neighboring countries.**
- **Constitutionally, foreign policy is to be guided by “the principles of the United Nations Charter, nonalignment, Panchsheel [five principles of peaceful coexistence], international law and the value of world peace.” In practice, foreign policy has not been directed toward projecting influence internationally but toward preserving autonomy and addressing domestic economic and security issues.**

# Objective

- The fundamental objective of the foreign policy is to enhance the dignity of Nepal in the international arena by maintaining the sovereignty, integrity and independence of the country.
- To conduct Nepal's foreign relations in consonance with the policies and guidelines of Government of Nepal,
- To project and protect Nepal's independence, sovereignty, territorial integrity, and national interest abroad,
- To promote bilateral, regional and multilateral relations for the socio economic development of the country,
- To promote friendly relations with all the countries of the world and particularly with its immediate neighbors, on the basis of sovereign equality, mutual respect, trust, goodwill and understanding,
- To play an active role in the United Nations and other international organizations in order to promote international peace and security, and development,
- To play a positive and meaningful role in the Nonaligned Movement in the context of a changed world.
- To play an active role in the promotion of regional cooperation in South Asia under the South Asian Association for Regional Co-operation,
- To act as the country's a first point of contact for the outside world and also serve as Nepal's window to the world.
- To play an increasingly active role in the conduct of Nepal's economic diplomacy, thereby promoting our trade, investment, economic cooperation, tourism, and help tap and develop our immense water resources potential.

# Guiding Principles

**The foreign policy of Nepal is guided by the abiding faith in the United Nations and policy of nonalignment. The basic principles guiding the foreign policy of the country include:**

- Mutual respect for each other's territorial integrity and sovereignty;**
- Non-interference in each other's internal affairs**
- Respect for mutual equality**
- Non-aggression and the peaceful settlement of disputes**
- Cooperation for mutual benefit**
- The principles of UN charter**
- Norms values of world peace**
- International law**

**The foreign policy of Nepal is also guided by the international law and other**

# Constitutional Provisions on Foreign Policy

- The Part-4 (Directive Principles, Policies and Obligations of the State) of the Constitution of Nepal, 2015 outlines the cardinal principles, parameters, and general directions of Nepal's foreign policy. These are:

## Directive Principles

- The State shall direct its international relations towards enhancing the dignity of the nation in the world community by maintaining international relations on the basis of sovereign equality, while safeguarding the freedom, sovereignty, territorial integrity and independence and national interest of Nepal.

## State Policy:

- The State shall pursue the following policies relating to international relations:
- To conduct an independent foreign policy based on the Charter of the United Nations, non-alignment, principles of Panchsheel, international law and the norms of world peace, taking into consideration of the overall interest of the nation, while remaining active in safeguarding the sovereignty, territorial integrity, independence and national interest of Nepal,
- To review treaties concluded in the past, and make treaties, agreements based on equality and mutual interest.

# Determinants of Nepalese Foreign Policy

- Geo-political situation
- Security situation and peace
- Political stability
- Economic strength and factors
- Historical importance, experience and ties
- The feeling of strength and nationality
- Socio-cultural factors and relations
- Non-alignment
- Multi-lateralism and regionalism
- World peace and disarmament
- Trade and commercial interests
- Principle of panchasheel
- The UN charter
- International law and value of world peace
- Political system and change

# Features of Nepal's foreign policy

- **Non-alignment**
- **Disarmament and world peace**
- **Peaceful solution of disputes**
- **Friendship with all, close relation with neighbours**
- **Against colonialism, neocolonialism and discrimination**
- **Strong supporter for the facilities to land locked countries and their unrestrained access to sea**
- **Adherent of Aid with no strings attached**



## 2.7 Diplomatic and Consular Functions

- **A diplomatic mission is a group of people from one state or an international inter-governmental organisation (such as the United Nations) present in another state to represent the sending state/organisation officially in the receiving state.**
- **a diplomatic mission usually denotes the resident mission, namely the office of a country's diplomatic representatives in the capital city of another country.**
- **A permanent diplomatic mission is typically known as an embassy, and the head of the mission is known as an ambassador.**
- **The functions of a diplomatic mission is to represent the sending state, to protect its interests and those of its nationals, to negotiate with the government to which it is accredited, to report to the sending government on all the matters of importance to it, and to promote friendly relations in general between the two countries**

# Basic functions of a diplomatic mission

- Represent the home country in the host country
- Protect the interests of the home country and its citizens in the host country
- Negotiate with the government of the host country
- Monitor and report on conditions and developments in the commercial, economic, cultural, and scientific life of the host country
- Promote friendly relations between the host country and the home country
- Develop commercial, economic, cultural, and scientific relations between the host country and the home country.
- Issue passports, travel documents, and visas

# Types of Diplomatic Missions

## **Embassy**

- A diplomatic mission located in the capital city of another country which generally offer a full range of services, including consular services.

## **High Commission**

- An embassy of a Commonwealth country located in another Commonwealth country

## **Permanent Mission**

- A diplomatic mission to a major international organization.

## **Consulate General**

- A diplomatic mission located in a major city, other than the capital city, which provides a full range of services, including consular services.

## **Consulate**

- A diplomatic mission that is similar to a consulate general, but which does not provide a full range of services.

## **Consulate Headed by Honorary Consul**

- A diplomatic mission headed by an Honorary Consul which provides only a limited range of services

## Article 3 of the Vienna Convention on Diplomatic Relations

- **1. The functions of a diplomatic mission consist inter alia in :**
- Representing the sending State in the receiving State;
- Protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law;
- Negotiating with the Government of the receiving State;
- Ascertaining by all lawful means conditions and developments in the receiving State, and reporting thereon to the Government of the sending State;
- Promoting friendly relations between the sending State and the receiving State, and developing their economic, cultural and scientific relations.

# The functions of diplomatic missions,

- It is 'representation of a state'
- Statements made by the diplomats are regarded as the statements made by the sending State
- The head of mission and the mission itself are not only the representation of the sending government, or the head of state, but of the sending state as a whole, as the subject of international law.
- Done through the acts of diplomacy: demarches protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law;
- Interests of the sending state: general
- Protecting its nationals: diplomatic protection
- Nationals: natural and legal persons
- Especially important in countries with unstable internal situation
- It is an authorization to use the diplomatic protection in case of danger or violation of person's interest that is guarded by the international law

# Consulate

- A consulate is essentially a satellite office of the embassy, but its roles are limited in scope, usually pertaining to and prioritizing the interests and concerns of its people and businesses abroad. The head of a consulate is called a consul. If a country hosts both an embassy and one or more consulates, the consulates will take over those consular duties,
- The functions of a consul may vary from case to case having regard to the needs of times and the circumstances of each case.
- the extent of a consul's functions would depend largely on the provisions of the treaty or consular convention which regulate the consular relations between his home state and the receiving state.

# Consular Functions

## **Emergency assistance**

- If a citizen who is abroad has an emergency, the consulate is there to support them; these could include missing persons, medical emergencies, etc. Also, if the host country begins to get dangerous, the consulate will help with evacuation of its citizens abroad.

## **Passport services**

- A consulate will help their citizens renew or replace lost, stolen, or damaged passports and various other official documents.

## **Citizen liaison**

- A citizen of the consulate's home country may seek consular assistance in communicating between themselves and family back home, and vice versa.

## **Legal help**

- The consulate will also look after any of their detained or imprisoned citizens, making sure that they are fairly represented and justly tried.

## 2.7.2 Nature of consular services

- A Consulate is the representation of the public administration of a country in a foreign town.
- A consulate-general is something of a mix between a regular consulate and a full-fledged embassy.

### **The most important duties of a consulate are:**

- to establish and renew passports and other official documents
- to report Births, Deaths, Marriages, Divorces, Adoptions etc. happened in the host country to the competent authorities home.
- to inform its own citizens living abroad about the social security situation
- To handle the military formalities and control for its own citizens liable to military service.
- To help its own citizens in distress or other emergency situations.
- To look after its own citizens in detention or arrest and to watch over the rule of law and fair trials.
- To establish entry visas to foreign citizens and to inform them about immigration-, residence- and work permits.



# General consular functions

- **Protection, in foreign state, of interests of its nationals, legal entity and physical persons, according to the International Law;**
- **Registering of newborns and marriages, but there is no possibility that a couple can get married (celebration of marriage) in any of our diplomatic or consular representative offices;**
- **Exercising the function of public notary for purposes of verifying the signatures, transcripts, photocopies and authorizations. Providing necessary documents for Montenegrin nationals (certificate of birth, nationality and else);**
- **Providing help and protection in the case of arrest, servitude, or in a case of accident of Montenegro nationals;**
- **Development of economic relations on local and regional levels, public informing, cultural promotion of the country, help in organizing diaspora and its clubs and associations.**
- **These are just some of the general functions, but consulates also have other tasks within their jurisdiction**

# Passport

- **A passport is a travel document, usually issued by a country's government, that certifies the identity and nationality of its holder primarily for the purpose of international travel.**
- **Standard passports may contain information such as the holder's name, place and date of birth, photograph, signature, and other identifying information.**
- **. A passport does not of itself create any rights in the country being visited or obligate the issue country in any way, such as providing consular assistance. Some passports attest to status as a diplomat or other official, entitled to rights and privileges such as immunity from arrest or prosecution.**
- **Many countries normally allow entry to holders of passports of other countries, sometimes requiring a visa also to be obtained, but this is not an automatic right. Many other additional conditions, such as not being likely to become a public charge for financial or other reasons, and the holder not having been convicted of a crime, may apply.**

# Passport

- Most passports contain your photograph, name and birth date, along with your nation of origin and a signature.
- Every country has specific guidelines in terms of getting a passport.
- Passports are a form of legitimate identity, mainly because of the procedure that people must follow in order to get one.
- Most countries require an original birth certificate as proof of citizenship and identification. There is also a fee and a waiting period, along with other requirements.
- The true reason behind passports and visas are to protect the people living in their native countries from foreigners who may be terrorists or illegal immigrants that cannot provide proof of their national origin.
- It can be considered a global identification system, since they are used in just about every country in the world. Passports and visas keep us safe and allow us to see and travel the world.

# Visas

- Visa in fact is the Certificate issued or a stamp marked (on the applicant's passport) by the immigration authorities of a country to indicate that the applicant's credentials have been verified and he or she has been granted permission to enter the country for a temporary stay within a specified period.
- Visa is an endorsement on a passport indicating that the holder is allowed to enter, leave, or stay for a specified period of time in a country.
- A visa is an endorsement placed on a passport granting the holder official permission to enter, leave or stay in a country for a specified time period.
- The most common visa types are tourist, student, work and transit visas. Depending on where you are traveling, a visa can be valid for single or multiple visits.

# Visas

- **Visas are document designed to allow people access into other countries.**
- **The difference between a visa and a passport is: a visa specifies certain reasons why that person will be staying in the country. It also specifies a certain time frame.**
- **Most of the time, visas are granted to people who work or plan to attend school in a nation for a select amount of time. It is really a supplement to the passport, since both are required at the same time.**
- **The visa is usually stapled or attached to the passport and shown at the time of entry into another country.**
- **Most visas have time limits, and typically that time extends to about six months. People can request that their visa be extended in certain circumstances, but there are usually strict requirements one must meet before getting a time extension.**
- **A visa is a conditional authorization granted by a country to a foreigner, allowing them to enter, remain within, or to leave that country.**
- **Visas typically include limits on the duration of the foreigner's stay, territory within the country they may enter, the dates they may enter, the number of permitted visits or an individual's right to work in the country in question.**

# Attestation of documents

- Attestation is the act of attending the execution of a document and bearing witness to its authenticity, by signing one's name to it to affirm that it is genuine.
- An attestation is a declaration by a witness that an instrument has been executed in his or her presence according to the formalities required by law.
- The attestation is the method of checking the authenticity of a document & declaring its authenticity by attaching it with the sign of the verifying personnel.
- The process requires the submission of original documents as well as a xerox of the same to authorized employees for verifying and required sign/stamp on guided area.
- It is also can be said as the certification by a custodian of records that a copy of an original document is a true copy that is demonstrated by his or her signature on a certificate.

## 2.7.3 Economic Diplomacy and its components

- **Economic diplomacy is traditionally defined as the decision-making, policy-making and advocating of the sending state-business interests. Economic diplomacy requires application of technical expertise that analyze the effects of a country's (Receiving State) economic situation on its political climate and on the sending State's economic interests.**
- **Economic diplomacy defined “The process through which countries tackle the outside world, to maximize their national gain in all the fields of activity including trade, investment and other forms of economically beneficial exchanges, where they enjoy comparative advantage.; it has bilateral, regional and multilateral dimensions, each of which is important”.**
- **Economic Diplomacy is the way to consolidate the right political climate and international political economic environment to facilitate and institute these objectives.**
- **Ecocomic diplomacy is the use of political influence and relationships to promote and/or influence international trade and investments, to improve on functioning of markets and/or to address market failures and to reduce costs and risks of cross border transactions (including property rights).**

## 2.7.3 Economic Diplomacy and its components

- **Economic diplomacy is concerned with economic policy issues, e.g. work of delegations at standard setting organizations such as World Trade Organization (WTO).**
- **Economic diplomacy employs economic resources, either as rewards or sanctions, in pursuit of a particular foreign policy objective. This is sometimes called "economic statecraft".**
- **Economic diplomacy is a form of diplomacy. Economic diplomacy is the use of the full spectrum economic tools of the state to achieve its national interest. Economic diplomacy includes all the economic activities, including but not limited to export, import, investment, lending, aid, free trade agreements etc.**
- **Current trends include increasing collaboration between state and non-official agencies, and increased importance given to WTO issues, the negotiation of free trade and preferential trade agreements, and accords covering investments, double taxation avoidance, financial services and the like. Abroad, embassies, consulates, and trade offices handle economic diplomacy.**



# Economic Diplomacy

## **Three elements of economic diplomacy**

- The use of political influence and relationships to promote and influence international trade and investments.
- The use of economic assets and relationships to increase economic security.
- Ways to consolidate(strong) the right political climate and international political economic environment to facilitate and institute these objectives.

## **Issues of Economic diplomacy**

- Economic diplomacy requires application of technical expertise:
- Versatility,
- Flexibility,
- Strong business skills

## **Players of Economic diplomacy**

- State actors such as Govt.agencies
- Non-state actors such as NGOs
- Businesses and investors

# Economic Diplomacy

## **Economic Diplomacy on the focus of Foreign Policy**

- Economic diplomacy is traditionally defined as the decision-making, policy-making and advocating of the sending state's business interests.
- Economic diplomacy is the art of serving economic security and strategic interests of the country.
- The agenda of economic diplomacy is comprehensive.

## **Significance of Economic Diplomacy**

- Interests
- Power
- Environment
- opportunities

## 2.7.4 Foreign Employment, its role, scope & attestation, power attorney

- Going from one country to another country for job and to earn money is called foreign employment.

### **Importance of foreign employment**

- Country can get lots of foreign currency as the remittance which can be used to establish industries in the country. Such industries provide job opportunities in the country.
- People who went overseas to work can learn different skills and technologies which can be beneficial for the development of our own country.
- Foreign employment reduces the unemployment problem of a country.
- It may help to develop international relations with other countries because the country has to do labour contract with other countries and embassies has to be established there.
- The remittances have generated national economic growth.

# Importance of Foreign Employment

- Foreign employment has helped to accelerate the national economic growth.
- It provides ample opportunities to enhance the living standard of the people.
- Foreign employment helps to reduce the national burden of creating number of employment opportunities.
- It has helped to improve the quality of life and better source of Income as well.
- The remittances have helped to support for the social transformation and increase business relation with the foreign countries.

Due to lack of job opportunity, many Nepalese youths are compelled to go to various countries of the world in search of jobs. This trend is increasing day by day. It has an immediate benefit but it is not beneficial for a long term. The Nepalese labour and sweat is being used in foreign countries and there is scarcity of human power for the development of our own country.

# Challenges of foreign employment

- The employees are forced to work for long hours without holidays and often paid no wages.
- Mostly, the semi-skilled and unskilled workers go to the foreign countries so, they do not get job as per the contract.
- Some of the manpower companies, agent and broker cheat the people. So, they do not get the offered jobs and treated as illegal immigrants. So, they are forced to leave the working countries.
- The employees in foreign countries do not know the language which is necessary for mutual communication in working countries.
- Some of the employees are mentally and physically tortured and sexually abused and exploited.
- The workers are forced to work in low salary jobs.
- The manpower companies charge a huge sum of money for the visa and other legal processing which forces the employees to sell the property to take the money on high interest.
- The manpower companies do not train the employees about the laws of the working countries before going there which has created more possibility of imprisonment in the foreign countries.
- The manpower companies or agent do not train the people to work safely, so that many employees are found dead in the foreign countries.
- Many of the employees are forced to leave the working countries because of illegal visa and had to pay loan back which pushes them backward to move pathetic condition.

## 2.7.5 Diplomatic Privileges and Immunities

- **Diplomatic immunity is a principle of international law by which certain foreign government officials are not subject to the jurisdiction of local courts and other authorities. The concept of immunity began with ancient tribes. In order to exchange information, messengers were allowed to travel from tribe to tribe without fear of harm.**
- **Diplomatic immunity is not meant to benefit individuals personally; it is meant to ensure that foreign officials can do their jobs.**
- **It is true that diplomats are exempt from the criminal, civil and administrative jurisdiction of the host country. However, this exemption may be waived by their home country. Moreover, the immunity of a diplomat from the jurisdiction of the host country does not exempt him/her from the jurisdiction of his/her home country.**
- **Administrative and technical staff members of embassies have a lower level of immunity. Consular officers serving in consulates throughout the country have an even lower level of immunity.**

# Duties of a Diplomatic Mission

- Without prejudice to their privileges and immunities, it is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of the receiving state.
- They also have a duty not to interfere in the internal affairs of the state.
- Not to allow official premises to be put to any purpose other than their proper and recognized function
- All official business of the mission shall be conducted with or through the MoFA or such ministries as may be agreed.
- A Diplomatic agent shall not, in the receiving state, practice for personal profit any professional or commercial activity.

## **Diplomatic personnels:**

- May not be arrested or detained
- May not have their residences entered and searched
- May not be subpoenaed as witnesses
- May not be prosecuted

Diplomatic privileges and immunities usually receive attention only when exceptions or abuses are reported in the news.

# Diplomatic Immunities and privileges of diplomatic mission

- Privileges and Immunities in respect of the mission and its functions
- Inviolability and immunity of premises and property.
- Inviolability of records, documents, correspondence and archives, freedom of communication.
- Inviolability of diplomatic bag, pouch or valise.
- Exemption from taxation
- Right to import and exemption from customs duties.

## **Fiscal Immunities:**

- Except for the transportation and ware house (store) charge (if used), no tax either municipal, local or income is collected from the mission.

## **Privileges:**

- Freedom to correspond with the sending state and other states, consulates in the host state. Diplomatic missions are free to use diplomatic courier, telex, etc.



# Personal privileges and immunities

- **Personal inviolability and protection**
- **Immunity from criminal jurisdiction**
- **Immunity from civil and administrative jurisdiction**
- **Inviolability of correspondence**
- **Inviolability of property**
- **Exemption from liability for public service**
- **Exemption from liability to serve as a witness**
- **Exemption from local and national taxation, custom duties**
- **Exemption from social security provisions**
- **Exemption from inspection of personal luggage**
- **Freedom of travel**

