Tax on foreign products to protect domestic industries or raise revenue.

#### Quota:

• Limits on imports, controlling the amount allowed in a given period.

## Boycott:

 Eliminates imports of specific commodities or the entire range of products from a targeted country.

## • Embargo:

 Prohibits business transactions between the country imposing the embargo and the targeted country.

# **Loans, Credits, and Currency Manipulations:**

#### Loans and Credits:

• Used as rewards, extending favorable terms or providing financial assistance.

# Currency Manipulations:

• Altering currency rates to create more or less favorable trade terms.

#### **Activities:**

## Effectiveness of Economic Instruments:

- Discuss the effectiveness of economic instruments in inducing change in another state's foreign policy, using the China-US trade war as an example.
- Explore which categories of states are vulnerable to economic instruments and why.

**Foreign Aid:** Foreign aid, including military aid, technical assistance, grants, and development loans, serves political and economic objectives. It is often used to manipulate policies of recipient countries, tying aid to desired reforms, political objectives, or alignments.

#### **Activities:**

# • Tying Aid to Political Objectives:

• Explore how donors use economic and military aid programs to change the internal and external policies of recipient governments.

## **Exam Questions:**

- 1. Define diplomacy and distinguish it from foreign policy. Discuss the evolution of diplomatic practices from bilateral secrecy to multilateral, public, and leader-to-leader approaches.
- 2. Examine the role of non-state actors, such as the United Nations and NGOs, in diplomatic success. Provide examples to illustrate their contributions.
- 3. Discuss the rules of effective diplomacy, including realism, careful communication, seeking common ground, understanding the other side, patience, and leaving avenues of retreat open. Provide real-world examples to support each rule.
- 4. Evaluate the effectiveness of diplomacy in achieving short-range core foreign policy objectives. Analyze whether a state's capability influences the effectiveness of diplomacy.