

Economic Diplomacy and Political Goals

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DOI: 10.29322/IJSRP.13.05.2023.p13750

<http://dx.doi.org/10.29322/IJSRP.13.05.2023.p13750>

Paper Received Date: 4th April 2023

Paper Acceptance Date: 23rd May 2023

Paper Publication Date: 30th May 2023

ABSTRACT The basic area of economic diplomacy is the promotion of trade volume, which means creating opportunities to increase exports to existing markets, as well as identifying new potential markets for domestic companies.

The nature of economic diplomacy in a particular country is determined by a wide range of variables, which are related to the political issues or political context in a particular country that make up the stability of the legal environment, the ability to satisfy justice in court, or the degree of corruption in the country in which the company intends to invest or improve. the existing scale of pols.

Keywords: economic diplomacy, economy, trade.

Introduction

Before defining the term economic diplomacy, it is necessary to make a short theoretical overview of diplomacy as a whole, of which economic diplomacy is an integral part. As a science, diplomacy represents a much broader concept than diplomacy in the sense of organization, primarily because it does not only include the formal diplomatic service of a certain country, which is reflected in the organizational parts of the Ministry of Foreign Affairs and diplomatic-consular missions, but also includes a much wider range of subjects. Given that throughout history, diplomacy has been at the center of all important social events, it is viewed as a social activity and a historical category, from which it can be concluded that diplomacy is not a new phenomenon. It can be said that diplomacy is as old as human civilization.

Nevertheless, contemporary diplomacy is linked to the modern era, especially the twentieth century, which made a significant contribution to the development of diplomacy. Namely, in the last century there was a great interest in the activities of diplomacy, and therefore in its study, both as a science and as a skill.

Different definitions of economic diplomacies

Most often, two theories or two approaches are cited when it comes to the practical implementation of diplomacy. One approach explains that diplomacy is considered the art of negotiating and establishing relations between countries.

According to another approach, diplomacy implies skills that are acquired through the process of training and continuous learning, as well as through work. Diplomatic activities, and thus also the activities of economic diplomacy of a certain country, are under the influence of a complex combination of numerous and diverse factors that are interrelated.

The first group of factors is made up of those in the sphere of politics. During most of the twentieth century, which was marked by two world wars, the Cold War and numerous armed conflicts around the world (wars in Korea, Vietnam, Iraq, Afghanistan, etc.), diplomatic activities represented a kind of auxiliary instrument that served the purpose of implementing the so-called ideology of power.

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<http://dx.doi.org/10.29322/IJSRP.13.05.2023.p137XX>

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The reduced influence of state governments, which in the modern world face competition from other participants in political processes and in deciding on strategic issues for a particular state, as well as on international issues, is considered the basic and main political factor that has an effect on diplomacy. Non-governmental organizations, actors from the private sector, religious groups and communities, and the media are primarily considered. The fact that the influence of the media on political relations is constantly growing requires governments to take their interests into account when creating the foreign policy of a particular country.

Non-government organizations are considered the biggest external actor that exerts influence on the implementation of the foreign policy of the countries of the world. Non-government organizations have a growing influence and an ever-increasing public space on which they have influence, and consequently, an increasing number of decisions related to the international level are created and adapted to their views. Decentralization of affairs related to the implementation of the foreign policy of a state is one of the basic characteristics of modern diplomacy. In other words, the participation of local authorities in the international relations of the state is increasing. In practice, there are examples of large cities or provinces possessing sufficient amounts of financial resources to establish and organize their own independent diplomatic agencies. The immediate effect of such tendencies in diplomacy is that state diplomats, in addition to their colleagues who represent the state, have to increasingly communicate with numerous other actors in diplomatic activities.

Economy represents another group of factors that exerts an influence on contemporary diplomatic relations and its activities. Economic diplomacy is gradually taking the lead in the diplomatic relations of the countries of the world. The dramatic increase in the volume of international trade, large and powerful corporations and ever easier and faster international money transfers have led to the fact that representatives of the private sector, such as private entrepreneurs or fund managers, increasingly have primacy in relation to ministers of finance or governors of central banks country in the world. Increasing competitiveness is another important feature of the modern international economy.

Due to the development of technology during the last decades, there have been significant changes in the field of diplomacy, where the factor that has had the greatest impact is the development of the Internet. Globalization and its consequences have led to a kind of division into rich and poor countries and peoples, as well as to a rapid increase in the number of events that can be followed every day through a wide variety of media services.

All the mentioned changes have also created new challenges for modern diplomacy, which primarily relate to issues of security in the world, promotion of the need to respect human rights, issues of democratization and sustainable development, as well as economic cooperation between states and the joint fight against international crime, terrorism and similar to that. Economic diplomacy cannot be simply defined. The term "economic diplomacy" itself has several functions and meanings.

Namely, we meet economic diplomacy in bilateral and multilateral forms, and there is also a difference between state and non-state forms of economic diplomacy. The content of economic diplomacy constantly escapes the shackles of definition, because on the surface of daily living activities at the local, regional, national and global level, new contents and challenges always appear, new economic events that require new theoretical explanations and generalizations. From a theoretical perspective, economic diplomacy differs from country to country. In most cases, the development of economic diplomacy depends on the level of natural and social development of the country, and the economic development itself determines the place and role of the state on the global economic scene.

The term economic diplomacy includes all the activities of certain state official representatives, whose overriding goal is to ensure an increase in exports, an increase in the volume of investments from abroad and active participation in international economic forums. In this sense, economic diplomacy represents a form of management and maintenance of economic relations

between different countries. Economic diplomacy, defined in this way, has enormous importance because many countries in the world are still faced with the problem of insufficient economic development.

Given that economic diplomacy is characterized by a clear historical development dimension, it is important to emphasize that the very term used to determine activities in the field of economic diplomacy is recent. The term economic diplomacy originated from the French language - la diplomatie économique. The concept defined in Russian diplomacy was recognized under the name - экономическая дипломатия. On the other hand, there are also Anglo-Saxon variants of this term, which use terms such as trade diplomacy, commercial diplomacy, although recently the term economic diplomacy has been increasingly used. It is evident that depending on the first word (economic or commercial) there are certain differences in the definition of the term itself. Commercial diplomacy emphasizes the promotion of trade, while economic diplomacy represents a broader concept that encompasses all economic aspects.

Economic diplomacy can be viewed from two levels. One level implies economic diplomacy in a broader sense and it is more comprehensive and includes all subjects of a certain social community that participate in strengthening the economic competitiveness of a certain state through diplomatic means, and the second level implies economic diplomacy in a narrower sense and it refers to the exclusive activities of the Ministry of Foreign Affairs, in defense of the economic interests of their country.

"When the definition of economic diplomacy is considered, the common opinion is that it is a matter of combining the concepts of economy and diplomacy, and thus, in the lexical sense, the coin economic diplomacy is obtained. According to such an opinion, it is considered that in a practical sense it is a business it is done by simply combining parts of the two fields, where and in the way that is necessary. Such a way of thinking does not make an essential distinction between economic diplomacy, economics and diplomacy, and accordingly, the common opinion is that the affairs of economic diplomacy take place spontaneously through the mentioned two areas, and that no special effort, commitment, structure or personnel are needed in the field of economic diplomacy." ¹

In modern conditions, economic diplomacy gains more and more importance and receives a lot of space in the activities of states in relations with foreign countries. Accordingly, economic diplomacy is increasingly seen as a doctrine that is more and more aggressively incorporated into world economic flows, which together with political action forms the core of the economic diplomacy of a certain country on the international level. Definitions of economic diplomacy differ, mainly, in terms of explaining its essence and in connection with that, giving importance in the process of forming its definition, according to different priorities in relation to the comprehensiveness of the understanding of economic diplomacy.

When defining the concept of economic diplomacy, the historical moment when the definition was established is important, considering that for a correct understanding of the context, it is important whether certain processes were present and significant in the period when the definition was created (examples are the process of globalization, the development of modern information and communication technology and the like). Economic diplomacy can occur in bilateral and multilateral forms, while, when it comes to actors in the implementation of economic diplomacy, it can be classified into state and non-state forms of economic diplomacy. State actors of economic diplomacy include all state subjects, such as ministries, embassies, chambers of commerce and the like. Non-state actors include all other participants.

Economic diplomacy in global framework

¹ Slavković M., "The relationship between qualitative and quantitative evaluation of the performance of economic diplomacy", Megatrend review, (2019), p. 41.

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Each state is characterized by a different degree of development of economic diplomacy, depending on the commitment of state policy to the process of its improvement and development, as well as the degree of social and economic development of the state. In this sense, there is a direct correlation between the level of development of the state and the level of development of its economic diplomacy as an important factor for faster and sustainable economic development of the state. The structure and scope of actors in the implementation of economic diplomacy activities is different from country to country. At the same time, most countries implement these activities through diplomatic missions abroad. The circle of actors who actively participate in the activities of economic diplomacy, apart from diplomatic missions or diplomatic missions, also includes the participation of other participants. In this regard, in Europe, for the most part, a model is in use according to which, in addition to diplomatic missions, branch offices of government agencies, which deal with the promotion of trade and investments, actively participate in economic diplomacy. Government officials, i.e. the prime minister and ministers in the government, presidents of states or diplomatic representatives in special diplomatic missions, also play an important role in the activities of economic diplomacy.

The place and role of economic diplomacy in global frameworks are connected with the process of globalization. Namely, the increased interdependence of states and their markets has led to an increase in the importance and role of economic diplomacy. At the end of the last century and the beginning of the twenty-first century, the global economy was increasingly integrated through processes of regionalization, which is often called globalization. In the conditions of a very complex, turbulent and changing environment in which the global market functions, as a consequence of the process of globalization, economic diplomacy produces new diplomatic procedures and relations within already existing or within new economic networks. These networks include actors within state structures and actors outside those structures, and they greatly influence the global economy, which is becoming increasingly interdependent and connected.

The process of globalization has, in many ways, influenced diplomacy, and, consequently, economic diplomacy and its forms:

- Commercial diplomacy,
- Trade diplomacy,
- Financial diplomacy, including consular affairs related to growing immigration flows.

Commercial diplomacy is primarily concerned with the establishment of diplomatic networks and business groups through the formation of missions abroad, whose main task is to promote investments and trade. For most developing countries, economic diplomacy also includes activities in the segment of tourism promotion, which are given special attention. For many developing countries, economic diplomacy includes the promotion of tourism as a primary activity. Diplomatic networks provide so-called commercial intelligence, tourism marketing, business connections and partner searches, as well as business assistance.

Trade diplomacy deals with activities related to the improvement of trade relations of the state on the international level. The accelerated development of international trade, the emergence of new regional and global trade organizations, such as, for example, the World Trade Organization, the development of the Internet and Internet trade, pose numerous challenges to trade diplomacy that require new actors and break through the framework of traditional concepts of diplomatic activities.

Financial diplomacy in the conditions of globalization and development of international finance represents a very important segment of economic diplomacy, which deals with supporting the government in connection with efforts to ensure prosperity and economic stability, in the current conditions of international trade, which is often not formally regulated in full.

Conclusion

From the above, it can be concluded that in the global framework, there is a continuous competitive struggle for the economic supremacy of certain economic entities, the success of which is determined by the measures taken in economic policy by the countries from which these economic entities originate. The key role of economic diplomacy is related to the improvement of the economic performance of economic entities and states. However, the influence of economic diplomacy extends to other areas, such as trade, politics, security, etc. Modern economy does not only mean profit maximization, as the only goal of business activity. Namely, the economy is increasingly becoming closely connected with politics and security. The field of trade, which represents a kind of catalyst of the globalization process, is also an important component of the field of economy, in the broadest sense.

Accordingly, actors of the economic policy of a certain country must have knowledge and skills in all the mentioned areas. In the event that a certain country or company is burdened with problems related to political or security issues, potential partners will be guided by such facts in the process of deciding on cooperation. Classic or political diplomacy and economic diplomacy in modern conditions are practically inseparable. Namely, according to some authors, political and economic diplomacy can be seen as two sides of the same coin, bearing in mind the fact that in most cases, political and economic goals are almost identical. The realization of every political goal is connected with the economy, and vice versa - the realization and achievement of a certain economic goal in the background has a certain political interest. Based on this, it can be concluded that today's most developed countries are also countries with strong political influence at the global level.