
Editorial

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The year 2012 has been special in many ways. Following the global financial collapse in 2008 to 2009, the world experienced the worst economic setback since the great depression of the 1930s. It also caused an unexpected global crisis to develop in the real sector (some parts of the world remain in its clutches). However, economic downturns and recessions are actually nothing special, since they come around almost every ten years; unfortunately, short-term economic memory is the norm. Nevertheless, the difference with the current crisis was its magnitude and level of synchronisation. Never before has the world witnessed anything like it, since the world has never been so interconnected.

We are also living in a time of globalisation 2.0 – or even 2.1 – where the problem is no longer how to obtain information, but rather how to find the right information in the enormous amounts available (the spam era). We are also living in an increasingly social network age, where interactive communications, as well as access to social networks, second life and the like are possible from almost any location – as long as you have a mobile device and wireless network available.

It is also a time in which we are starting to realise that economic power is shifting towards the emerging economies. In recent decades, companies have been moving their production facilities from developed to developing countries. Since the crisis has hit developed countries the most, and growth potential and financial resources are at present mostly available in the developing part of the world, different questions need to be answered in this regard.

However, 2012 is also important because of other issues and it has not only been characterised by ‘bad news’. It is also the year we had the privilege to introduce you to the first issue of the first international journal to be entirely devoted to the economy and diplomacy. Although we often argue that records of economic diplomacy exist that date even as far back as the time of the ancient Egyptians, it took us until 2012 to put economic diplomacy in to its rightful place in the sphere of international science.

This would not have been possible if writers had not been addressing economic diplomacy issues for the past decades, or even centuries. The majority of writers dealing with this topic nowadays can mostly be found among the journal’s editorial board. I would like to extend a big thank you to them all.

Additionally, we would like to thank the members of the journal’s honorary advisory board for their guidance, particularly Ambassador Kishan S. Rana and Sir Nicholas Bayne for their commitment to the project since its initial phase.

In the journal's leaflet we gathered various statements made by academics, entrepreneurs, CEOs, heads of NGOs, diplomats and other experts on their view of the interconnections between the economy and diplomacy. In short, we could sum up that everyone agrees that the economy has always been 'around' in diplomacy. Only recently however has it garnered greater attention because it is being discussed more often. In this respect, we can agree with the majority, who state that diplomats usually devote most of their work to economic issues, and there is no doubt that the economy plays a significant role in diplomatic practice.

When discussing the name of the new journal, we came across numerous variations. We considered *Diplomacy and Business*, *Economic Diplomacy*, *Diplomacy and Economic Development*, etc. Ultimately, we went for the broad title *Diplomacy and Economy*, since we agreed that only in this way could we cover the whole spectrum of interconnections between these two areas. In this inaugural issue, we therefore focus our attention on a wide range of topics and areas when discussing the economy and diplomacy (financial diplomacy, trade diplomacy, commercial diplomacy, export support and development diplomacy).

The first paper, which was written by Sir Nicholas Bayne, addresses the topic of financial diplomacy and the recent crisis in the European Union, comparing it to the Latin American crisis that happened some decades ago. Sir Bayne, who is also the co-author of the book *The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations*, addresses the factors that served to reconcile the tensions and resolve the Latin American crisis in the 1980s. Though initially contagious, the crisis was treated through a process of isolation, the IMF served as a neutral intermediary and domestic pressures were defused using 'two-level' game theories. The author takes the view that the same factors reveal an almost total failure to reconcile tensions in the euro-zone crisis. Readers should bear in mind that the paper addresses a very real issue – where things change on a daily basis – and that the paper was only finalised in the summer of 2012.

The second paper, written by Geoffrey Allen Pigman and Brendan Vickers, discusses economic diplomacy in the context of the WTO, often defined as trade diplomacy. The WTO is a unique multilateral institution which is devoted to fostering global free trade and has gone through numerous changes with the advent of globalisation. However, the authors argue that, despite living in an age of transnational companies, global civil society organisations and multilateral global governance institutions, trade diplomacy continues to consist mainly of private negotiations between government trade ministry officials. The interests of business and civil society are still mediated and represented, for the most part, by government diplomats. The authors attempt to define the extent to which diplomatic representation and communication on trade issues have really changed.

The third paper, authored by Huub Ruel and Robin Visser, discusses commercial diplomacy, which is now becoming increasingly important. The authors developed a model that conceptualises the roles played by commercial diplomats as falling under the area of corporate entrepreneurial behaviour, with institutional theory used to identify the contextual factors that influence their behaviours. By using a multi-method, qualitative and cross-sectional case study based on 23 self-selected, face-to-face, semi-structured interviews, they found that three types of commercial diplomat exist, each adopting a different approach in terms of the importance accredited to proactivity, as well as the level and intensity with which it is pursued.

As already mentioned, commercial diplomacy is attracting attention since governments are tending to make greater use of it to boost national exports. In this light, the fourth paper, authored by Gorazd Justinek and Tanja Sedej, addresses the topic of export support, an activity carried out within the framework of commercial diplomacy that deals mainly with activities concerning the provision of general and intangible information about foreign markets, information on potential business contacts, help in finding suitable legal and marketing assistance when entering a new foreign market, as well as helping at trade fairs, trade missions, business delegations, and the like. Since the justification for these activities has been questioned, a methodology for measuring export support performance is presented, which was developed in order to track results in Slovenia – a small and open economy in Central Europe.

Last, but by no means least, the paper authored by Robert Mudida presents the perspective on economic diplomacy from the point of view of emerging African states. The author presents the case on how increased globalisation has played a key role in shaping recent trends and concerns in the economic diplomacy of African states, which are increasingly interested in becoming more relevant actors in the global economy. The author discusses African states' economic diplomacy, focusing particularly on development diplomacy. He further points out that diplomacy in recent years has been defined by the engagement of African states with non-traditional partners such as BRIC countries, and also characterised by a strong impetus towards greater economic integration within Africa.

The book *Economic Diplomacy: India's experience*, published in 2011 and authored by Ambassador Kishan S. Rana and Bipul Chatterjee, has been reviewed at the end of the inaugural issue of the journal. Not including the introduction and concluding remarks, the book consists of 25 chapters, all but five of which were written by serving or former members of the Indian Foreign Service. It provides a very detailed and in-depth view of how business-oriented Indian diplomats see their work, what the obstacles are, and gives examples of good practice in combining diplomacy and the economy. The book represents a useful guide for any diplomat who encounters issues pertaining to the economy. As I sincerely believe that every diplomat does in fact have dealings with the economy, this book is relevant for all diplomats, regardless of area of expertise.

This inaugural issue of *IJDipE* represent a basis for further research on topics devoted to the economy and diplomacy. It represents a platform for diplomats, scientists, experts and others to exchange views and opinions on the subject and, by doing so, help make improvements to these activities and increase their efficiency – to the benefit of us all.