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## **Editorial: economic diplomacy and public sector policies at the crossroads**

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**Gorazd Justinek**

Faculty of Government and European Studies,  
New University,  
Kranj, Slovenia  
Email: gorazd.justinek@fds.nova-uni.si

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We have in front of us the Vol. 5, No. 2 issue of *International Journal of Diplomacy and Economy*. Since the launch of the Journal in 2011 many things have changed in the field of Economic Diplomacy, which was and still is the focus of the Journal. Almost 10 years after the first issue of the Journal, when we were just out of the big financial and economic crisis of 08/09, we are today in mid of a new epidemiologic crisis caused by the new coronavirus, which will cause severe economic downturns in the following months or even years. It will all be dependent on the time needed for the pandemic to be over. Once the health issues and people lives will be saved, economic questions will return like a boomerang.

In this regard Diplomacy is of course trying to do its best in helping the economy. However, not only the Covid 19 pandemic has and will even more reshape the world economy in the past years. Many other external factors have co-created and co-shaped the new Economic Diplomacy.

In this issue we thus present five interesting papers plus a book review. The first paper examines the role played by commercial diplomacy in firms' outward internationalisation. Based on interviews with economic counsellors and a comparative case-study analysis of firms entering foreign markets, the authors explore the antecedents and consequences of commercial diplomacy for foreign market entry. The moderating effects of commercial diplomacy vary with regard to the foreign market's level of institutional development as well as the entry mode. The greatest potential effect is identified in less developed, institutionally and politically less stable countries and while engaging in internalisation-related entry modes. The results also depend on firms' perceptions, the timing of the relationship that is established between firms and counsellors as well as the economic counsellors' capabilities. Commercial diplomacy is important for both recognising and exploiting opportunities in international markets.

The second paper analyses the development of Fair Trade and investigates the challenges and opportunities that might enable Fair Trade to flourish via sustainable consumption in Brazil. Promotion of sustainable consumption is discussed as the fundamental support to Fair Trade expansion. The authors perform a comparative empirical analysis, based on primary data, gathered from consumer e-surveys and expert interviews in Austria and Brazil. The results show significantly lower awareness of

Brazilian consumers and many obstacles on the path of Brazilian Fair Trade advocates toward higher awareness and share of Fair Trade in this country. Key institutional challenges for supporting Fair Trade as a mechanism of sustainable consumption promotion are delineated.

The third paper talks about the new media in the digital economy. Understanding the emerging development in a digital economy is one of the most important features of today's knowledge-based society. The digital economy has created new opportunities and also challenges. Many SMEs have a hard time explaining the true value of their ideas, products, projects, or other important business issues, they need to tackle. Explainer videos represent one of the modern and effective tools to communicate messages with the target audiences in the modern business world. In other words: explainer videos translate complex issues into simple stories, which people enjoy watching. Due to its many advantages, the purpose of explainer videos can be diverse.

The fourth paper analyses recent developments in international business and especially in the sphere of economic diplomacy when, at a time of globalisation, it is being shaped and co-created by numerous new stakeholders. The author is additionally looking into the role of international law in this regard, in a slightly different perspective as usual, especially international economic law. All these changes are happening in front of our very eyes and are supported by new technologies, especially social media. Additionally, we are again at a very delicate and momentous period of time in terms of international relations. Economic and geostrategic powers are shifting and international businessmen and (economic) diplomats often find themselves caught between economic, business, financial, human rights protection and other issues. In this regard it is worth mentioning that the word "diplomacy" has its roots in the Ancient Greek word "δῖλωμα", the literal meaning of which is "making a deal with other countries". In this paper the author claims that economic and business interests (deals) have been, with the support of international economic law, at the core of international (business) activities and especially diplomacy ever since that time. Due to new media and the proactive role of civil society in the human rights protection field, these "deals" have just been more visible.

The last paper of the issue deals with the fundamental research question answered by the authors as follows: Does the legal framework of financial restructuring in Slovenia put the bank, as a creditor, in a worse position than the legal framework in Austria and Croatia? The approach authors have used is a comparative analysis of the key features of the legal frameworks regarding financial restructuring process, whereby the differences in the position of the creditor (bank) according to the Austrian, Croatian and Slovenian legislation were determined. The findings are as follows: (1) From the perspective of the beginning of the financial restructuring process, the position of the creditor bank is the most unfavourable in Croatia, compared to Slovenia and Austria; (2) In the case of the duration of the procedure, Slovenia is in a better position than Croatia and worse than Austria; (3) In view of the legal position of determining the minimum share of repayment of creditors, including banks, Slovenia is in the same situation as Croatia, but worse off than Austria; (4) Restrictions on the debtor during the duration of the financial restructuring process are comparable in all three compared legislation frameworks,

Slovene, Croatian and Austrian; (5) From the point of view of the maximum repayment period, the creditor bank in Slovenia and Croatia, is in a worse position when compared to the regulation in Austria. Findings of the research can serve as a reference point for policy makers and as a framework for managing bad loans of banks in the future, as well as a support to management of banks for proactively introducing new approaches to managing risks and reducing bad debts.

As we stated in the introduction, the times are changing rapidly and an often used phrase among business people “that the only constant these days is change” is often true. This can be observed in all spheres of our lives and of course also business. Not just international business, but also all over the whole business.