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## Introduction

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This is a special issue on business diplomacy and values. The purpose of it is to address and inspire the academic debate on the role of values in the actions, behaviours and operations of businesses in the international (relations) arena. We ask questions such as: What values guide the actions of businesses in their international activities and their interactions with external stakeholders and the wider society (including international)? What are the implications of values (sets of them) for the practice of business diplomacy? How do corporate values affect business diplomacy? What to do in the case of a crisis, either inside a business or in the business environment? And what should those who are in business diplomacy roles do, such as CEOs and board members, which value sets guide their actions?

### *Business or corporate diplomacy*

The concept of business diplomacy and corporate diplomacy emerged in the scholarly literature during the 1990s, and they have been used interchangeably ever since. Some authors prefer business diplomacy (Ruël et al., 2013; Saner et al., 2000; Monteiro and Meneses, 2015), while others stick to corporate diplomacy (e.g. Bolewski, 2018; Westermann-Behaylo et al., 2015). In our view the concepts refer to the same type of empirical phenomenon, while the core difference lies in the accents or focus. In this introduction we prefer to continue to use the term business diplomacy. The growing recognition of the importance of business diplomacy is further evidenced by the establishment of academic programmes on business diplomacy at, for example, the University of Duesto (Bilbao, Spain) and Georgetown University (Washington, USA).

### *Business diplomacy in an uncertain world order*

After the end of the Soviet Union in 1989, a new dawn emerged as the West thought it had won the Cold War with its Western value system. It was assumed that liberal democracy would spread all over the world, and the next stage of globalisation took off. International business, investments and trade reached new heights until the global financial crisis of 2007/2008 and then the COVID-19 pandemic. In the aftermath of these events, international business, investment and trade decreased for the first time since the end of the Cold War. Today we are experiencing a reality in which liberal democracy is clearly under siege. The Russian invasion of the Ukraine and the war resulting from it confirm that liberal democracy and the international law that it helped to establish are far from being taken for granted. New divides are emerging: democracy vs. autocracy, ‘the West’ vs. ‘the rest’, pragmatism vs. ideology, free vs. coerced societies, liberal rich vs. conservative rich or emerging. Only time will tell. What is certain is that business diplomacy will become more important. The practice of businesses to establish and build long-term positive relationships with external partners, stakeholders, governments, societies and communities will be a key competence needed to operate and secure their own interests as well as those of their partners in the international business arena in the foreseeable future.

### *Business diplomacy and values: a leadership perspective*

The concept of business diplomacy started to appear in the scholarly literature in the 1990s, and since then the number of publications on it has grown steadily. However, they appear in a rather scattered way. Business diplomacy publications appear in international relations and diplomacy journals and in business and management journals, and how business diplomacy is understood and used varies widely. An early ‘adopter’ of the concept of business diplomacy in relation to values was London (1999). He talked about business diplomacy as a leadership style; more precisely, he connected it to principled leadership, which for him meant a values-based way of managing organisations. His plea for values-based management emerged from the observation that the business environment of the twenty-first century is fundamentally different from that in the twentieth century: instantaneous communication and convenient, low-cost transportation across national boundaries are now available. But this twenty first-century business environment is also confronted with a ‘comprehensive spectrum of problems’, as London called it in 1999 (p.170): technological, economic, environmental, cultural, social and regulatory ones. This presents business leaders with a challenge ‘to get things done expeditiously and profitably, and to do so in a way that shows high integrity, trust and honesty. London also was aware that these values are morally right in terms of Western culture and can be good business practice regardless of culture. Yet they need to reflect the realities of different cultural expectations and tough business environments’ (London, 1999, p.170). For London (1999) the key of business is being good and doing good while being profitable as a business.

### *Business diplomacy: categories and types*

Looking at the current literature on business diplomacy, three different categories of definitions can be identified (see further Ruel, 2022): 1. Business interests-focused

definitions (e.g. Saner et al., 2000; Steger, 2003; Amann et al., 2007; Henisz, 2016, 2017; Kesteleyn et al., 2012; Monteiro and Meneses, 2015), 2. Leadership style-focused definitions (e.g. London, 1999); and 3. Legitimacy/social license to operate-focused definitions (e.g. Alammar, 2018; Alammar and Pauleen, 2016; Ruël et al., 2013; Ruël, 2021; Ruël and Arbiol (forthcoming); Westermann-Behaylo et al., 2015).

Furthermore, when looking at and analysing these definitions, we can identify four different types of business diplomacy, based on the target focus of business diplomacy practices. From this perspective, four types of business diplomacy can be distinguished: (1) intra-firm business diplomacy, (2) inter-firm diplomacy, (3) home-country government diplomacy and (4) international business diplomacy (see further Ruel and Suren, 2017).

### *Business diplomacy and sources of values*

Whatever definition or whichever type of business diplomacy one prefers to adopt or adhere to, values play a role. And values for business diplomacy, and thus how business diplomacy is conducted by business representatives and how this interacts with values in the international arena, can derive from different sources: 1. Business or corporate values, 2. Personal belief systems of business diplomats, 3. Values that form the basis of international frameworks such as the OECD guidelines for multinationals, the UN, the EU, and 4. The cultural context in which business diplomacy is conducted.

**Table 1** Sources for business diplomacy

<i>Sources of values for business diplomacy</i>		
	<i>Formal sources</i>	<i>Informal sources</i>
Internal business environment	Business or corporate values	Personal belief systems of business diplomats
External business environment	International business frameworks and agreements	Cultural context in which business diplomacy is conducted

All four sources are at play in the business diplomacy practice, and the challenge comes from the fact that they are all ‘active’ at the same time. A business diplomat applies values from her/his own personal belief ‘system’ while conducting business diplomacy in the name of a business with its own business values. These values are confronted with the values that businesses are expected to adhere to from international business frameworks and agreements as well as from national or regional cultural contexts in which business diplomacy is conducted (either offline or online). This complexity of sources of values makes it very worthwhile and highly necessary to address the issue of business diplomacy and values. It is timely, especially given the challenging circumstances of today, to invite scholars and practitioners to publish work related to the issue of business diplomacy and values.

### *The articles in this special issue*

Caballero and Arbiol open this special issue. Their article addresses the impact of the COVID-19 pandemic on multilateralism and diplomacy. They make a case for the potential of business diplomacy. The second article, by Mogensen, addresses the concept that firms are interested in engaging in diplomacy when governments demonstrate the

strength and willingness to impose restrictions on business. Societies acknowledge the need to balance and mediate different priorities and interests from different actors and spheres of interests. This incentivises businesses to step in. The third article, by Salvi and Ruël, clarifies how corporate diplomacy and corporate social responsibility are linked. This is illustrated by a rich case study of an Italian energy firm in Chile. The article by Igarabide presents an analysis of International Political Economy theories and aims to make a case to include business diplomacy in the International Political Economy research agenda. The article of Valderry, Sánchez and Delgado describes how international business diplomacy works in Latin America. In all of these articles, values in business diplomacy are clearly at play, and different sources of values are ‘confronted’ with each other. Business internal values (at either the corporate or the individual level) ‘meet’ external sources (international frameworks or agreements or cultural contexts). It would be useful for the reader to use Table 1 as a tool while reading the articles and to identify the sources of values and how they interact in more detail.

As a final article, we are happy to have a practitioner’s contribution. Former diplomat Rajmund Kiss, who served in the Hungarian diplomatic corps for many years in Geneva and Singapore, among other places, presents three tools for business diplomacy negotiations based on his own experience. Together with co-author Ruël, the article makes a case for the need for practitioner-based tools and invites scholars to join in for further research.

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