
Editorial: The lost year (2023) – looking towards the year 2024

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1 Introduction

The autumn issue of 2023 brings along quite some new papers from India and other non-EU countries. In the previous ten years our Journal has been predominantly focusing on the OECD countries, while now, with the Scopus index and all the other global activities, *IJDipE* goes global. Therefore, in the following issues we are expecting some more papers from Asia and other emerging economies. In this issue we thus introduce three papers from India, one from Kenya and one from UAE. We also have two book reviews.

As for the global environment there is nothing new or at least there is no new stability on the horizon. In this year's spring editorial, we focused on the one year of war in Ukraine, inflation, high energy prices etc. (Justinek, 2023). In autumn of the year 2023, we observe, the war in Ukraine is still there and it seems it will not be over in the near future. The inflation in the EU has somehow been stabilised, but still in very high numbers (Eurostat, 2023). In China there are other problems namely – deflation (Economist, 2023). The trade war and supply chain problems are still affecting daily business. On 9 August President Joe Biden unveiled his latest weapon in America's economic war with China. New rules will police investments made abroad by the private sector, and those into the most sensitive technologies in China will be banned. The use of such curbs by the world's strongest champion of capitalism is the latest sign of the profound shift in America's economic policy as it contends with the rise of an increasingly assertive and threatening rival. For decades America cheered on the globalisation of trade and capital, which brought vast benefits in terms of enhanced efficiency and lower costs for consumers. But in a dangerous world, efficiency alone is no longer enough. In America, and across the West, China's rise is bringing other aims to the fore. Understandably, officials want to protect national security, by limiting China's access to cutting-edge technology that could enhance its military might, and to build alternative supply chains in areas where China maintains a vice-like grip (Economist 2023a).

Approaching the year of 2024 we can thus notice that we have more or less the same instability as in the years before (Justinek, 2021; Justinek, 2021a; Justinek, 2022). Could we be speaking of the lost year of 2023? We will see, what the year 2024 will bring us?

2 The papers

The autumn issue is bringing us five very interesting papers. The first paper talks about cultural diplomacy and the authors are coming from India. Cultural Diplomacy is adopted as a medium for establishing strong international relations among countries of distinct cultures, socio-spatial dimensions, and ethnicities. The United Nations Educational, Scientific and Cultural Organization is one such international body which creates space and opportunities to connect with people from different countries and tries to establish bonds of solidarity through various programs and festivals through cultural exchange. Among other mediums, books are considered a 'Soft-Power'. The paper focuses on Indian literature and how it has tried to establish bonds of solidarity on a global pedestal. It is observed that the inter-literary connections between countries like Russia, France, China, England, and America proved significant in consolidating international relations.

The second paper is prepared by a group of authors from the UAE, focusing on economy and monetary policies. Central banks and economic growth are two vital components in constructing a country that aid in increasing output, employment rates, and economy. Central banks are crucial to economic growth because they ensure financial and economic stability. This research paper aims to better understand the role of central banks in economic growth through the application of bibliometric analysis. The bibliometric analysis performed on publication from the year 1989 to 2021 revealed that the amount of literature on central banks and economic growth is steadily expanding. The first paper was published back in 1989. After one article being published per year until 2002, the number of articles increased slightly from 2003 to 2009, and it started growing prominently in 2010. In 2019, the topic it reached its highest peak with a total of 13 articles published. The analysis also resulted in identifying six streams related to the research topic: unemployment, financial crisis, financial system, inflation, interest rate, and capital movement. Additionally, the relationship of central banks and economic development is primarily examined in terms of inflation impact, monetary policy, and developing economies. Another key finding of this research states that the financial crisis may have appeared recurrently as it had influenced many central banks to develop robust policies.

The third paper comes from India, but reflects the Ukraine Russia crisis in Ghana, which is a perspective rarely presented in Europe. The Russia-Ukraine conflict has once again highlighted the need for diversification across asset classes to avoid the fallout of black swan events. This study aims to identify the optimal portfolio weights for long-only investors in emerging Ghana stocks and two major cryptocurrencies – Bitcoin and Ethereum. BEKK-GARCH (1,1) has been deployed to investigate the volatility spillover between the Ghana Stock exchange (GSE) and two major cryptos by market share – Bitcoin and Ethereum between January 2019 to December 2021. The influence of the COVID-19 crisis has been examined by dividing the full sample period into three sub-periods: pre-COVID-19, during-COVID-19, and post-COVID-19 pandemic. This study has several important implications. First, the investors can take advantage of higher returns in cryptos by allocating low single digits exposure and enhancing portfolio risk-

adjusted returns. Second, policymakers can formulate policies to encourage more investors to adopt cryptos as an asset class in Ghana.

The fourth paper comes from Kenya and talks about Eritrea and South Sudan and the role of Diplomacy in Recognition of an Evolving State. A majority of Africa's newly founded states had struggled to achieve statehood. This partly owes to African states' devotion to the *Uti possidetis* concept and insufficient diplomatic skills and techniques. If used successfully and efficiently, diplomatic strategies can hasten the recognition of new states. For example, in the case of former Yugoslavia, the recognition of Slovenia and Croatia as independent states by Germany and the European Community in 1991 was a key factor in the eventful recognition by other countries. Likewise, the recognition of Eritrea by Ethiopia in 1993 was crucial in its recognition by the international community. Diplomacy is the only way to persuade international entities like regional organisations, the United Nations, and great powers to support the cause of a new state. Unfortunately, South Sudan's and Eritrea's lack of diplomatic mastery is to blame for the length of time it has taken to achieve their self-determination aims of attaining statehood. Even though both countries are now independent and sovereign, their path to statehood may have been shortened if they had used sound diplomatic abilities and methods. The long time taken by both Eritrea and South Sudan can be attributed to the complexity of the process of achieving recognition among African states that were seeking independence. The study used a mixed methods approach that included qualitative and quantitative techniques and a case study design that utilised a sample size of 384 participants. The proposed sample size and distribution of the target population were attained using purposive and simple random sampling. 21.4% of the respondents from both countries had Academia as their organisation. The study used advent teachers and academicians as the sample size. As a result, various debates on the subject of international recognition have emerged. For instance, theorists backing self-declaration argue that a state can exist politically even if other sovereign states do not recognise it, provided it fulfils specific agreed-upon criteria. Thus, according to them, recognition is only for the purpose of formally acknowledging what is already in existence. Contrary to this, constitutive theorists view recognition as the genesis of statehood; thus, it is an essential component of statehood. Thus, the existence of legal rights is dependent on the political act of recognition by other states. Therefore, this paper discusses the various diplomatic strategies states employ to attain international recognition.

The last paper is again from India and talks again about the implications of the Ukraine Russia war. This study examines the impact of the Russia-Ukraine war on sustainable and conventional investments in India using an event study methodology. The results show that the war has a negative impact on conventional indices and a positive impact on sustainable indices for two days after the war. However, the positive impact on sustainable indices does not persist, while the conventional markets experience growth in abnormal returns with high instability. In the long run, sustainable indices have positive abnormal returns compared to low abnormal returns in conventional indices. The study also finds that sustainable indices have better performance in the long run than conventional indices post-event. The study has implications for investors, portfolio managers and policymakers, suggesting that investors and portfolio managers should diversify and minimise risk by investing in sustainable indices for the long term and policymakers should consider more stringent sustainable reporting practices.

The issue additionally introduces two book reviews.

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