
Book Review

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Research Handbook on Economic Diplomacy
Edited by Peter A.G. van Bergeijk and Selwyn J.V. Moons
Published 2018
by Edward Elgar Publishing, 403pp
ISBN: 978 1 78471 083 5 (cased)
978 1 78471 084 2 (eBook)

With the changes that are happening in the international order, countries are under more pressure to find new ways of promoting national interests and in holding their position in the world of trade. In doing so, they use diplomacy. When trying to define economic diplomacy, we could say that this kind of diplomacy is all the actions taken by diplomats to influence trade and other economic activities with other countries. In defining economic diplomacy, we should also keep in mind the main goal of increasing profit. This kind of diplomacy is not new, but has it always been seen as important as it is in today's day and age is a good question to ask ourselves. When looking at all the factors, we could say that even though this topic was always important, in the last years it has been obvious that more factors are influencing the change and making the research of the topic popular.

Because of all the changes that have been happening in this field, there was a need to research the new happenings to understand them better. And here we come to the research handbook on Economic Diplomacy. This book, as the editors said in the Introduction chapter is here to "provide reflection on the field and synthesize existing knowledge". It is divided into five chapters, including Introduction. These chapters are divided into topics: "Economic diplomats" in Part I, "Impacts, costs and benefits" in Part II, "Politics, trade and sanctions" in Part III and finally Part IV where contributors share their thoughts about "Emerging markets and developing countries". List of contributors in this book shows us that we have the opportunity to read opinions on the topic of economic diplomacy from the experts in the field of Economy. Contributors to this book were able to give their opinion and perspective which was emphasised by the editors of the book: "While we find this categorization of economic diplomacy useful, we have, however, not shared the definition with the contributors and allowed each of them to start from and develop their own perspective".

Editors of the book Peter A.G. van Bergeijk and Selwyn J.V. Moons wrote Introduction part where they give an overview of everything that the readers can find in this research handbook starting with the role of the diplomats that has been broadened which is the point that will be written more extensively about later in the book.

The introduction part continues with the essay of Professor G. Justinek, who is discussing recent developments in economic diplomacy and goes on to say that diplomacy is being shaped and co-created by numerous stakeholders that partially emerge in the diplomatic arena. When defining economic diplomacy, earlier in the text, we made a point that economic diplomacy are all the actions taken by the diplomats, but Prof. Justinek is right to correct us that when talking about the tools of diplomacy, we have to be aware of the fact that in today's time not only diplomats are involved in diplomatic activities: "Practically anyone can engage in international relations...". In this context he is introducing us to the term iDiplomacy and ECONFINBUS, first being "a new concept of diplomacy where new hi-tech tools are used in diplomatic practice on a daily basis...", and ECONFINBUS being "economic, business and financial issues".

The main focus of Professor Van Gorp essay is business diplomacy, where she is also making a point about other non-state actors having a say in diplomacy nowadays but also emphasising on the importance of business diplomacy strategy. She states: "Business diplomacy is a pro-active approach to interact with non-business stakeholders on a local and global level". In this Introduction chapter, we see an overview of all the academic research made on economic diplomacy by S. Moons. Next, R. Muniz reviews case studies in economic diplomacy research and she finds and identifies 19 case studies while explaining to us that the "case study methodology is not yet well developed in this field".

In part I of the research handbook, titled Economic diplomats, we can read the essay of Prof. V. Nitsch where he points out that diplomatic activities are costly and that is one of the reasons why those who are involved want economic benefits from those activities. Cruz, Lederman, and Zoratto are speaking about export promotion agencies. They, as experts on the World Bank show us "a novel database from the World Bank...". O. Naray speaks about the time allocation of commercial diplomats and suggests that commercial diplomats keep their main focus on trade promotion. When discussing trade promotion, P. Maharani gives us glimpse of first-hand experience of Indonesian trade promotion. In his essay he not only spoke about Indonesian commercial and economic diplomacy instruments but tried to identify challenges that economic diplomats have in "boosting export promotion". In their essay on commercial promotion, Prof. Vancauteren and P. Compennolle show us how important economic diplomacy is in a Netherlands case, so we found out that "economic diplomacy, in the form of information services and trade missions, has had a significant positive impact on export values of Dutch firms that traded goods with Latin America...".

The following paragraph, named Impacts, costs and benefits begins with the essay from Moons and Boer researching the effect of economic diplomacy on different trade products. A. Lejour in the essay named "Passing export hurdles with a little help from my friend" concludes that "trade missions and trade posts do raise significantly market entry". In the same chapter, F. Vergara Caffarelli and G. Veronese give us a cross-country comparison where they compare the UK, Italy, France, and Germany in the essay named "Costs of Italian economic diplomacy: a comparative perspective". In the same paragraph, M. de Nooij, M. van den Berg and Prof. Henri de Groot wrote an essay named "Social cost benefit analysis of trade missions".

Part III of the book is named Politics, trade and sanctions. Andrew K. Rose tried to examine the effects of the soft powers on exports in the essay named "Soft power, sanctions and export: checking the BS in BDS". This paragraph continues with Prof. S. M. Murshed who is writing about correlation between economic diplomacy and liberal peace being that economic diplomacy is one of the means of achieving the peace in the

essay named “Economic diplomacy and the liberal peace”. Prof. S. F. Dizaji speaks about Iran and its economic diplomacy and Iran’s trade reorientation to Asia.

In the end, we come to part IV of the book with the title Emerging markets and developing countries where in the first essay Kishan S. Rana concludes that developing countries need to focus on developing master plans, working with all, building institutions, training and develop manpower and exploit knowledge and encourage entrepreneurship. Next two essays in this chapter talk about Africa and are written by Prof. S. Kwaku Afesorgbor and a group of authors (Lapeyronie, Maurel and Meunier). This chapter finishes with two essays, one about China’s aid to other countries written by A. de Haan and Ward Warmerdam and the last one named “The future of economic diplomacy research” written by group of authors (Bergeijk, Moons and Martincus).

This book is intended for everyone wanting to know more about new trends in economic diplomacy. It gives an excellent overview of what today’s economic diplomacy is, through the lens of experts in the field of economy. This book is also excellent in showing us many dimensions of what economic diplomacy is today, what it includes, how did the term changed over time, and how the main actors changed, as the editors said in the Introduction part of the book: “The role of commercial diplomats has been broadened”. This is one of the reasons for importance of this book whose main focus is to broaden reader’s knowledge about the role of diplomacy and diplomats in economy activities.

What makes this book interesting is that the research includes case studies of some of the most important markets, allowing readers the opportunity to learn more about China and its diplomatic efforts, which is important as we know that China is a factor that is driving global economic growth. Prof. A. Fuchs speaks in detail about China and its rise in the global economy with the help of diplomacy. It is also very interesting to read S. F. Dizaji essay about Iran where we learn about its history and the shifting of its diplomacy efforts and consequently economic plans toward Asia.

It is interesting to look at this research handbook through the lens of today’s events in the world, with an emphasis on the war between Ukraine and Russia. This puts a new light on the chapters that are talking about economic sanctions and other possibilities that are used as tool of hard power between countries. We can see that the fact that Russia is among the countries that are not easily influenced by soft powers, mentioned in the book (p.22), is shown to be more than true. To use or not to use soft and hard powers is never ending question in economic diplomacy. And as did editors of the book concluded that some countries will not be affected by soft powers, a contributor to the book, Prof. A. K. Rose concludes in his essay that: “There is no convincing evidence that hard power has any systematic effect”.

Reading this book, we do get how diplomatic activity is important in the world today, but, on the other note, we do need to be careful to not mistaken it to be all that is important. It is not almighty so I do have to agree with A. Lejour, when in his essay in the book, he said that “although government diplomacy could make the difference between exporting and not exporting to a country, the characteristics of the firm are much more important...”. This just reminds us that we cannot put all our cards on diplomacy when talking about business and trade.

In the end, reading this book is worth of everyone’s time and it will expand your knowledge of a complex world of business, economy, international relations and diplomacy.