

Review work

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ECONOMIC DIPLOMACY, DIPLOMACY OF FUTURE

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Abstract: A common diplomacy as a way of functioning of the international sovereignty of states has become anachronistic and inadequate for the development of the state in today's modern world of the 21st century. Therefore we illustrate concept of economic diplomacy as a modern form of diplomacy and acceptable for today's world.

The goal of economic diplomacy is to find solutions for local exporters and foreign investors who want to invest in our country. As policies differ in terms of foreign policy objectives from country to country so we have different concepts of economic diplomacy for every state individually. Since there are differences in the economic development of the countries, as well as differences in political and organizational (constitutional) systems the overall world economic stage diversify through the development of the concept of diversity of economic diplomacy. By the systems of economic diplomacy the countries can show us the stages of development and its industrialization.

The development of economic diplomacy of a country increasingly depends and becomes an activity done in the field of diplomacy and diplomatic activities. The basis of economic diplomacy of a country where free competition exists is the business of entrepreneurs and their ambitions. Economic diplomacy has the task to recognize entrepreneurs and investors with accurate information flow as the main link to their successful performances in business. Solid ground for economic diplomacy must be state enterprises efficient services while enabling successful performance of our companies at foreign markets with equal bureaucracy and unhindered access to foreign investors' domestic market.

Keywords: *Diplomacy, Economic Diplomacy, Development, Foreign Policy*

THE HISTORY OF ECONOMIC DIPLOMACY GOES BACK TO THE TRADE RELATIONS OF ANCIENT EGYPT, ROMAN AND BYZANTINE EMPIRES.

Cross-border trade was the necessitated at that time, but today it is the code of conduct. Representatives of these empires in foreign countries were the predecessors of economic diplomacy of today's modern era. We will take into consideration trading time in Mesopotamia 4,000 years before Christ and the trade agreement between the Egyptian pharaoh and the king of Babylon in 2500 BC, the Silk Road, the Han Dynasty in China, the Republic of Dubrovnik, which was developing economic diplomacy, whose strategic aim was to preserve and acquire new economic benefits in the other states territory.

Furthermore, in relation to this term we will mention the Opium Wars between China and the United Kingdom from 1,839th to 1,842th year. And up to the first scientific paper on economic diplomacy topic written by Henri Hauser at the Sorbonne entitled *Economy and Diplomacy*, 1937.

The development of modern Economic Diplomacy in the past period from the World War II to the present day:

- 1944 - Bretton - Woods as the new world order, the International Monetary Fund and the World Bank;
- 1945 - Establishment of international protection;
- 1947 - The implementation of the Marshall Plan as a form of assistance to the United States and Canada, the war-torn Europe, accepted only by countries of Western Europe;
- 1950 - Schuman Plan on the creation of the European Coal and Steel Community;
- 1957 - Signing the Treaty of Rome to establish the European Economic Community and the European Atomic Energy Community;
- 1963 - adoption of the Vienna Convention on Consular Relations, which applies to economic issues;
- 1971 - establishment of the Commonwealth in Singapore made of 36 countries led by the United Kingdom;
- 1976 - establishment of a Group of Seven (G7) group of most developed countries (US, Canada, UK, Germany, France, Italy and Japan);
- 1982 - former British Prime Minister Margaret Thatcher proposes "diplomacy armed threat";
- 1986 - Gorbachev began perestroika, reforms in the Soviet Union;
- 1989 - Director of the CIA, William Webster, reveals a new focus of the CIA, and that is "economic orientation", thereby changing its strategic role after the Cold War;
- 1989 - the end of the Cold War, the end of communism, the fall of the Berlin Wall, uniting Germany;
- 1991 - the end of the Soviet Union, the end of the central state of the economy and the introduction of market economy;
- 1993 - entry into force the Treaty of Maastricht, which founded the European Central Bank, the euro instead of the ECU, which is the practice established by European Monetary Union;
- 1999 - Signing the Treaty on European Union (Treaty on the European Union);
- 2001 - China joined the World Trade Organization WTO;

These dates were chosen by the authors' opinion regarding the importance of developing the future of diplomacy, the economic diplomacy. The goal of economic diplomacy should be to allow local businessmen and foreign investors interested in business to access a lot of information, such as detailed economic review of countries, legal frameworks, sections of bilateral and multilateral economic relations, the rules of business communication and other information relevant to their business interest in the country or abroad.

Modern diplomacy is adapting to new circumstances and to the nature of economic affairs at the very heart of the activity. Economic diplomacy is a platform for cooperation with the business community and institutions involved in the development of international economic relations. The ultimate objective of economic diplomacy as the future of diplomacy of every country is to achieve a competitive, productive and export-oriented economy.

At the opening of new markets entrepreneurs must be able to apply to their embassies in certain countries, where there must be appropriate economic advisers who will recognize their need for knowledge and provide them with adequate assistance.

Competitiveness is a future concept of any economy. It ensures the proper organization and education of the labor force, but also the availability of information at the right time.

HOW TO DEFINE ECONOMIC DIPLOMACY

Economic diplomacy has a number of authors with various definitions and all have included the core idea, but no one can be pointed out as the absolute ruler of this term.

We will mention some of these definitions:

- ❖ Economic diplomacy is engaged in economic relations between states and between states and other actors.
- ❖ Economic diplomacy is one that monitors the implementation of the economic policy of the country abroad.
- ❖ The European Union is born with a new version of the single digital market which is the base of the EU economy. Targets are universal for all member countries, and will help countries to skip the existing obstacles and speed up the elements of a digital society that will improve the growth of digital solutions and services. Part of the new digital economy and economic diplomacy.
- ❖ Economic Diplomacy is synergy synthesis of economy and diplomacy in order to achieve overall economic goals through diplomacy.
- ❖ Economic diplomacy is a specific combination of diplomacy in the classical sense of economic sciences and management, with the main objective to create, support and develop a positive environment for multilateral and bilateral economic cooperation.
- ❖ Economic Diplomacy involves the use of diplomatic methods and mechanisms, acting together with strategic foreign economic goals and instruments to operationalize by the state in bilateral or multilateral flows of international economic cooperation, as well as the domestic economic space, and in order to adequately support the development of national economy and ensuring the foreign economic interests, positioning and directly support stem enterprises in international business (which includes the achievements of political and other objectives in the context of foreign policy strategy of the specific countries in specific geographical and political areas, or even in the world).

TYPES OF ECONOMIC DIPLOMACY OPERATING SERVICES

General service through its features is very difficult to assess. It is all about personal motivation of economic diplomats associated with their skills and competencies as well as relations with other countries.

The Government Services and government services users are to seek the creation of diplomatic chain values in order to meet certain goals from inland - abroad. This service is often burdened with political and bureaucratic inefficiency.

Diplomatic service shows their outlines in the context of the economic policy of the state, its promotion, export promotions, attracting of foreign investments and like on. Often it is possible that economic diplomacy diplomats abuse this for personal needs and benefits.

The public service is reflected by the fact that the users of these services in the field of business do not pay for certain services of economic diplomacy, which is still a public service.

Commercial service asks whether business people have need for the diplomatic service, since business people are paying other organizations (private consultants, advisors, intermediaries). In any case a service of this nature is essential.

Networking service is a kind of service concerning the activities of the economic diplomacy, often referred to as "secret diplomacy". It deserve its name because it is considered that economic diplomacy opens the doors where others cannot, and getting the information in this way is of strategic importance to the organization and the country.

These services clearly lead to the conclusion that economic diplomacy and economic diplomats must have a globalized view and approach to the present and the future while respecting the past. In particular, this relates to respect and understanding of the working conditions in different cultural environments.

CORE AND KEY SKILLS DIPLOMATS SHOULD HAVE

The US State Department has issued the instructions on core skills diplomats should have:

- 1st) observation and understanding of the facts and situation,
- 2nd) selection of relevant,
- 3rd) the analysis and synthesis,
- 4th) precise, clear and fast communication both oral and written,
- 5th) understanding of human motivation,
- 6th) adapting to other cultures,
- 7th) the power of persuasion and negotiation skills development,
- 8th) prediction,
- 9th) discipline,
- 10th) a climate of trust and respect,
- 11th) foreign language skills,
- 12th) dynamic in its work,

- 13th) honoring the time (timing),
- 14th) imagination,
- 15th) ability to achieve brevity and clarity,
- 16th) art of self-control,
- 17th) art of adaptation,
- 18th) art of ethical conduct,
- 19th) art of making fast decisions, and
- 20th) skills to achieve a steady, but natural behavior in all situations.

All these skills can be and should be applied to the concept of economic diplomacy and economic activity of diplomats without any delay. The practice of American economic diplomacy is contained in the fact that their companies often hire former ambassadors and members of diplomatic corps as lobbyists. For example such as George Schultz, the Chief Manager of Bechtel, a Professor at Stanford University, Minister of Labor and Finance and the Secretary of State, then Jim Baker from Wall Street, a member of the Republican Party, and then Secretary of State, and Henry Kissinger, a Harvard Professor, the National Security Advisor and Secretary of State, as well as consultants of many governments and companies that more than obviously use this as common practice.

Finally, here's view of synthesis tasks performed by the economic diplomat:

- The impact of the creation of socio-economic policies, bearing in mind the aspirations of the various interest groups;
- Work with multinational organizations to establish standards relations to international trade and international finance;
- Mediating in conflicts between different actors, such as non-governmental organizations and economic organizations, in order to minimize the political and economic risks;
- Use of international pressure groups and the media in order to preserve the reputation of their own country, company or NGOs;
- The creation of social capital through dialogue with various interest groups that may affect the process of global economic development;
- Construction of credibility positions and legitimacy in the eyes of the public.

CONCLUSION

As a relatively new system economic diplomacy must contain all the elements necessary to effectively and sustainably promote the economic interests of the new category of diplomatic communication the diplomatic - consular network. The main tasks of economic diplomacy must be to present and to support exporters, protect the interests of domestic enterprises and to attract foreign investors. Economic diplomacy requires rapid interactions of civil society with all its stakeholders. It is necessary as soon as possible to understand the economic and globalization trends as important determinants of foreign policy of the state. The urgency to adopt the previous thesis is of great

importance for state survival of the modern age. All the world's countries are aware that their future cannot be maintained by the past and consciously focus attention on the work of diplomatic corps representatives today and for the future since they will be pillars of economic diplomacy. States must be aware of the fact that the possibilities of different countries do vary, and so does the effect to influence economic diplomacy. Another important conclusion is that if the person is obtaining the function and work through economic diplomacy must have the knowledge, skills and abilities of today's modern managers. The importance of economic diplomacy in modern times is reflected in the fact that it is an essential factor of economic development for all countries in modern conditions.

GOSPODARSKA DIPLOMACIJA, DIPLOMACIJA BUDUĆNOSTI

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Apstrakt: Uobičajena diplomacija kao način funkcioniranja međunarodne suverenosti država je postala anahrona i nedovoljna za razvoj država u današnjem suvremenom svijetu 21. stoljeća. Stoga vam predstavljamo koncept gospodarske diplomacije kao moderniji i primjenjiviji oblik diplomacije za današnje doba.

Cilj gospodarske diplomacije je iznalaženje rješenja za domaće izvoznike i strane investitore koji žele ulagati u našoj zemlji. Kao što se politike razlikuju u smislu vanjskopolitičkih ciljeva od države do države tako imamo i različite koncepte gospodarskih diplomacija država ponaosob. Kao što postoje razlike u gospodarskoj razvijenosti država, razlike u političkim i organizacijskim (ustrojstvenim i ustavnim) sustavima tako se i ukupna svjetska gospodarska pozornica diverzificira kroz razvijenost koncepta raznolikosti gospodarske diplomacije. Sustavi gospodarske diplomacije država nam mogu pokazati stupnjeve razvijenosti i industrijalizacije istih.

Razvoj gospodarske diplomacije zemalja sve više ovisi, odnosno postaje djelatnost koja se obavlja na polju diplomacije i diplomatskih aktivnosti. Temelj gospodarske diplomacije država gdje postoji slobodno tržišno natjecanje je djelovanje poduzetnika kao i njihove ambicije. Gospodarska diplomacija ima zadatak prepoznati poduzetnike i investitore uz dotok točnih informacija kao glavnih karika njihovog uspješnog nastupa u poslovanju. Dobri temelji gospodarske diplomacije moraju biti učinkovita usluga države poduzetnicima uz omogućavanje uspješnog nastupa naših tvrtki na stranim tržištima te jednako tako i birokracijom neometan pristup stranim investitorima domaćem tržištu.

Ključne riječi: *diplomacija, gospodarska diplomacija, razvoj, vanjska politika*

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