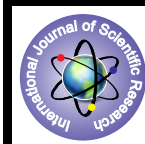


The role that economic diplomacy and security play in a time of crisis – the case of Slovenia



Economics

KEYWORDS : economic diplomacy, economic security, time of crisis, Slovenia

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ABSTRACT

In a time of crisis, economic diplomacy and security play a particularly important role worldwide due to various economic and non-economic reasons, some of which hinder, among other things, a country's economic and non-economic prosperity. This is also the case in Slovenia.

Introduction

Economic diplomacy is the activity of managing international economic relations, typically by a country's representatives abroad. It is becoming increasingly important worldwide, among other reasons, due to the increasing economic interdependence between countries and, more importantly, its effects upon them. Some of these effects are in fact negative, such as the rapid expansion of an economic crisis from one country to the other as it happened in the case of the current economic crisis, caused by various economic and non-economic causes such as greed, which is one of the most important ones among them.

Small countries like Slovenia, which is in severe economic crisis, are more sensitive than larger countries to changing economic and non-economic conditions abroad. This is due to various reasons such as the dependence of their economy on exports of goods and services. Slovenia, for example, ranks 17th among 144 countries according to the value of its exports of goods and services as a percentage of its gross domestic product (see, for example, Schwab, 2012, p. 499).

The role that economic diplomacy and security play in foreign trade

Foreign trade is very important for most of the Slovenian enterprises, since their growth and development are heavily dependent on their participation in foreign trade, which can bring them financial and non-financial benefits. Further removal of foreign-trade barriers is therefore very important for the above-mentioned enterprises, particularly in a time of crisis. Economic diplomacy, which can help to remove some of these barriers, is therefore becoming increasingly important for the further development of Slovenia's economic and non-economic relations with some other European and non-European countries, particularly in Africa and Asia. For Slovenia, economic diplomacy is particularly important due to the characteristics of its economy, which is heavily dependent on foreign trade with a small number of European countries.

Foreign trade is a very important factor of Slovenia's economic and non-economic relations with some other European and non-European countries, and, consequently, of economic security. Ensuring economic security is one of the most important goals of Slovenia's economic (and some non-economic) policies, particularly in a time of crisis. Economic diplomacy, which can help to ensure economic security, is therefore becoming increasingly important for the further growth and development of Slovenia's economy, which is heavily affected by the current economic crisis. For a small country like Slovenia, economic diplomacy is particularly important because its economy is heavily dependent on other economies (most of which are larger) and this makes it more difficult for the country to defend its economic interests abroad. This is due to the unequal distribution of economic and non-economic power among countries, which affects international economic and non-economic relations, particularly in a time of crisis. Power, which is closely linked to security, therefore plays a very important role in national and, more importantly, international politics, which are becoming increasingly interdependent due to various political and non-political reasons.

Slovenia's economic and non-economic relations with some other European and non-European countries are becoming increasingly important for its economic and non-economic prosperity.

Ensuring economic and non-economic prosperity is one of the most important goals of Slovenia's economic and non-economic policies, which are often inconsistent with each other, thus making them less effective, efficient and successful. This is one of the most important reasons that Slovenia has not yet economically (and non-economically) prospered to a sufficient degree to become more competitive in comparison to some other European and non-European countries, particularly the more developed ones.

Economic and non-economic prosperity is closely linked to economic and non-economic security, which is particularly evident in a time of crisis. Insecurity is one of the most important barriers to progress. Ensuring security is therefore a very important task for Slovenia's diplomacy, which is affected by various diplomatic and non-diplomatic factors, including the characteristics of Slovenia's diplomatic and non-diplomatic relations with some other European and non-European countries, particularly the more powerful ones.

Economic and non-economic security is a very important factor of foreign trade, which is sometimes subject to foreign-trade barriers. These are often one of the most important reasons that some enterprises, including some Slovenian ones, choose not to be involved in foreign trade. Further removal of these barriers is therefore very important for the growth and development of the above-mentioned enterprises. Economic diplomacy, for example, can be very helpful in this task, particularly in a time of crisis.

The role that a country's brand plays in foreign trade

Foreign trade is affected by the current economic crisis, and has, among other things, a very important impact on the distribution of trade power among countries, which has changed over time due to various trade and non-trade reasons, including economic and non-economic crises.

Trade power, which is closely linked to trade security, plays a similar role to other types of power and is very important in national and international politics, which are influenced by national and international trade and non-trade interests. These are often in conflict with each other, and can therefore cause trade and/or non-trade conflicts between countries that need to be solved by diplomacy as soon as possible. Unsolved conflicts between countries can have a negative impact on their relations and, consequently, on their security. They can also have a negative impact on their brand, which plays an increasingly important role in foreign trade, as it can affect the decision-making process of foreign-trade participants.

Country brands are affected by various economic and non-economic factors, including the current economic crisis. The latter factor is particularly important for countries which are heavily affected by the above-mentioned crisis, like Slovenia, as it has a highly negative impact on their reputation abroad. Slovenia is

no exception, and this may negatively affect its economic and non-economic relations with some other European and non-European countries. A country's reputation abroad is a very important factor in attracting foreign people and enterprises. Slovenia is, in comparison with some other European and non-European countries, unfortunately, not very successful in doing this, which is reflected in its competitiveness. Slovenia ranks 56th among 144 countries according to the Global Competitiveness Index 2012–2013 (see, for example, Sala-i-Martin and others, 2012, pp. 13–14).

Attracting foreign people and enterprises is, for Slovenia, very important as it can speed up its economic and non-economic progress, both of which are essential to the country's future. This is one of the most important reasons why Slovenia, whose reputation abroad is worsening, should become more attractive to foreign people and enterprises.

In order to become more attractive to foreign people and enterprises, Slovenia needs to carry out some economic and non-economic reforms, which should be consistent with each other, making them more effective, efficient and successful. This is very important for Slovenia's economic and non-economic prosperity, which can have a positive effect on the country's reputation abroad, particularly in a time of crisis.

A country's reputation abroad is a very important factor for its economic and non-economic relations with other countries, as it can affect their decision-making process in terms of defending their economic and/or non-economic interests. This is particularly important for small countries like Slovenia, whose economic and non-economic power is typically small or, at least, smaller than that of most of its counterparts.

Conclusion

In a time of crisis, economic diplomacy and security play a particularly important role worldwide due to various economic and non-economic reasons such as the effects of the current economic crisis on the present economic and non-economic conditions, both in developed and in developing countries, which are becoming increasingly interdependent, particularly in terms of economics and politics.

Acknowledgement

The author acknowledges the assistance of Klavdij Logožar, an Associate Professor of International Trade and Business Logistics at the University of Maribor, Faculty of Economics and Business, and Žan Jan Oplotnik, an Associate Professor of International Trade and Finance at the University of Maribor, Faculty of Economics and Business.

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