

ECONOMICS' DIPLOMACY AND ROMANIA'S FOREIGN INTERESTS PROMOTION

Lecturer Ph.D. Marilena-Oana NEDELEA
Stefan cel Mare University Suceava, Romania
oanad@seap.usv.ro

Abstract

The objective of the economic diplomacy is the utilization of all the instruments of foreign policy in order to promote the economic interests of Romanian investors and Romanian state. The promotion of Romanian interests abroad suppose lobby in order to facilitate the Romanian firms expansion, solving the Romanian business people problems abroad, organization of business events (conferences, reunions, seminars), conceiving of strategies and a calendar of actions in order to promote the Romanian interests abroad.

Kew words: economic diplomacy, promotion, institutional cooperation, Romanian economic objectives

JEL Classification: M31, M38, H83

I. INTRODUCTION

From the ancient times, diplomacy was and still is one of the most important promontory instruments for the realization of states' foreign policy.

Nowadays, diplomacy has certain openness, the conversations are frank, and the economics' diplomacy makes the front line. (Constantin, 2006) This happens due to the specific collaboration regarding the import-export relations, trade exchanges, economic cooperation and confrontation. The cultural diplomacy, parliamentary diplomacy, the relations between countries proceed towards their continuous extension, at the same time with the ceaseless extension of economy's diplomacy. Concurrently, many states practice both opened and transparent diplomacy, but there are states that wish to keep their leadership position in some domains and appeal to means that do not correspond with their friendship statements. Among these means we mention: interception of governmental conversations, attempts to obtain confidential economical and political information.

If in the future the diplomacy would be based upon a close collaboration between states which adopt independent economic and social development options, which will entirely concord with the national interests and aspirations then diplomacy couldn't be performed in the situation of one state dominating another. In general, in diplomacy reference works, diplomacy is presented as the activity that enables the foreign policy to achieve its goals.

II. ECONOMIC DIPLOMACY

Economic diplomacy represents the foreign policy function that correlates the foreign policy strategies and the economical wellbeing of a state's citizens. (Boj escu and Miron, 2005) This has as general objective the use of all foreign policy instruments in order to promote the economic interests of all Romanian entrepreneurs and at the same time of the Romanian State. Economic diplomacy represents the efficient medium for international institutional cooperation, aiming to realize the proceedings regarding Romania's economical objectives promotion outside the country's borders.

Economic diplomacy has the objective to use all foreign policy instruments in order to promote the economic interests of all Romanian investors and at the same time of the Romanian State. This concept implies the organization of an efficient institutional cooperation framework, in order to outline some concentrated stages for the abroad promotion for Romania's economical objectives.

When talking about public administration marketing we distinguish a contemporary concept that is the marketing of consular and diplomatic services. Visualizing the world's political leaders'

agenda, we notice that the economical issues prevail, and these often become the main targets that are approached during the bilateral and multilateral meetings.

III. ROMANIA'S FOREIGN INTERESTS PROMOTION

The promotion of Romanian economical interests abroad, regards activities like: mediation of information and Romanian businessmen contacting, in order to facilitate their access on the foreign markets; organization of economic character events (conference, seminars, reunions, forums); assistance and help for abroad organization of economic missions; stressing out the presence of Romanian economical interests throughout the good use of the potential engaged by Romania's honorary consuls; the elaboration of an action strategy/ calendar in order to promote Romania's economical interests.

On the embassy level we can mention that in the diplomatic missions participate the economy department and relevant personnel – the economic attaché being responsible for promoting the economical interests of the state which they represent in the creditor country.

To exemplify the online promotion of Romania's interests through economic diplomacy we can refer to an illustrating reference point which is Romania's Embassy in Washington. Within the economic section we find a *Business guide book for Romanians* who are interested to develop economical activities in USA.

Illustrating is the involvement of economic diplomacy in the international organizations' policy or in the strategies elaborated by the worlds governs. We can mention here the NATO summit which was organized in Bucharest between 2 and 4 of April 2008, where, beside the participation of appreciated political leaders of the moment, the participating missions were accompanied also by investors from various domains.

On international scale we notice that great European and American tabloids have classified as reference point for Vladimir's Putin 9 years of activity in Kremlin, the fact that Russia's energy resources became, in the foreign context, a veritable diplomacy weapon.

We can at the same time understand and exemplify the economic diplomacy role and sustainability on the European stage through the unification of the main economical forces leaders within the Paris summit developed for president Nicolas Sarkozy initiative at the begin ning of October 2008, having as main topic the actual financial crises. Besides Nicolas Sarkozy, the activating president of European Union, at the summit took part the German chancellor, Angela Merkel, British prime minister, Gordon Brown, and Silvio Berlusconi the Italian prime minister. At the summit also participated important officials from the economical domain as Jean -Claude Trichet, the president of the European Central Bank.

The reunion proved to be the first step towards the revival of the financial capitalism. Spite, the event preparation was emphasized by a series of misunderstandings between France and Germany. Berlin criticized harshly and without any doubt France' idea according to which there should be created an European found for saving the banks from critical situations, following the USA rescue plan. At the Paris summit there was an attempt for harmonizing the Europeans crises feedback and avoiding those actions that could disturb the European Union's general equilibrium.

On the global context we must mention the G-8 meetings that developed as a necessity to overcome the first petroleum shock in the 70' as the club of seven first industrialized countries: USA, Japan, Germany, Great Britain, Canada, France and Italy.

The preamble of the first Declaration at the G-7 in Rambouillet (17 November in France) mentions: “We gathered because we share the same beliefs and the same responsibilities. The growth and stability of our economies will help the industrial world and developing countries to prosper ... We decided to intensify our cooperation within all the international organizations.” In 1997, for the scope of the 23rd reunion, there was invited Russia as well, obviously not for the industry, but, for the military resources and power and this way the G-7 became the G-8. (Dobrescu, 2008)

Between the 8 and 9 of July, the G-8 industrial country Group was hosted by Japan on the Hokkaido Island. The meeting was labeled by the increase of food and petroleum prices, but there were discussed issues like the global warming or the Zimbabwe overall picture. The level reached by the petroleum international price has also caused worries. Japan invited at the most wealthy nations' reunion other two great powers like China and India, which are potential group members, but also South Africa, for stressing the great and greater importance that this continent plays in the actual geo-political interests.

Within the Foreign Affairs Ministry of Romania, functions the Economic Diplomacy Department which has the role of interface between Romania's diplomatic residences abroad, the business medium and the other institutions with economical duties.

The main action directions of the Economic Diplomacy Department are:

- Abroad promotion of Romanian economical interests;
- The cooperation with international economical organizations;
- The cooperation between economical profile institutions;
- Offering of economical expertise within the Foreign Affairs Ministry.

Promotion of Romanian interests abroad implies the following steps:

- lobby in order to facilitate the expansion of Romanian businesses abroad,
- information and contacts mediating for Romanian businessmen so to ease their access on the foreign markets,
- dialogue facilitation between the Romanian businessmen and the foreign diplomatic missions in Bucharest, pursuing the solutions for the problems that Romanian entrepreneurs confront themselves with while developing their businesses abroad,
- organizing meetings with economic character (conferences, reunions, seminars, forums),
- assistance for the organization of economical missions abroad, illustrating the presence of Romanian economical interests by putting good use to Romania's honorary attachés' potential,
- the elaboration of an action strategy / calendar aiming at promoting Romania's economical interests,
- dissemination of economic character information for the business domain, comprise on the MAE site of important information especially for Romanian /foreign businessmen.

Another action direction of the Economical Diplomacy Department is represented by the cooperation with international economical organizations. Here we mention:

- Coordination of the activities developed by Romania along with the Cooperation and Economic Development Organization (CEDO);
- Promotion of Romania's interests, along with other enabled institutions (World Monetary Fond, World Bank Group, Reconstruction and Development European Bank, World Trade Organization, CEFTA, etc);
- Valuating the Romania's delegates presence at/along the economic international organization;
- Monitoring the reports elaborated by various economic international organizations, as well as the country qualifying given by the rating agencies, including financier institutions.

Economical cooperation between institutions implies the following:

- Perfection of the economic information system between the main actors (Economical Diplomacy Department within the Foreign Affairs Ministry – diplomatic missions – business medium – economic character institutions);
- Dialogue and information exchange facilitation regarding the local and central public administration institutions, as well as business medium and the realization of a better

coordination between the institutions in order to develop a promotion and lobby action for Romania's economical interests;

- Link consolidation between ministries in order to support and efficient the foreign economical representative component;
- Participation within the work ministries groups and commissions, on economic issues.

Offering economical expertise within the Foreign Affairs Ministry implies the following steps:

- Foreign policy objectives, strategies and actions fundament;
- Economic projects' promotion and developing with economical strategic interests for Romania;
- Editing economical informative reports for the Foreign Affairs Ministry and diplomatic missions;
- Realizations of economic analysis on great interest for the diplomatic missions and the Foreign Affairs Ministry.

Economic diplomacy implies support for the foreign economical representatives, in order to concord with the business medium and its competitiveness at international level. So, the activity of the personnel with economical responsibilities that's sent abroad is organized as the Economical Counselor Office within Romania's diplomatic missions abroad, or Trade Offices of the states.

One of the important aspects of the economic diplomacy is the Romanian companies' extension in the region. A country can't be competitive as long as it isn't characterized by an opened economy, characterized by export and import rate growth within the internal gross product. This implies a step by step elimination of the protection barriers, a liberalization of the entire economy in order to allow national and international competition. Also, the opening of an economy must be done at the same time with monetary flux and assets accentuation, bilateral goods and services flux with the rest of the world, at the same time with other countries' promotion of information exchange.

Awareness of a certain state's performance and results can be recognized only at an international level and the great failures are the result of self development which relied on the internal resources without reaching for the opportunities that the rest of the world has to offer. A state can fit in the economic circuit by taking two steps: the states may involve more on the world market and throughout winning over more consistent market segments for the products they have in excess. Now we can mention the fact that in the recent years, Romania's governmental policy relied only on increasing attractivity throughout improving the conditions within the business medium and exports promotion.

Romania's opportunity to developing better conditions for abroad investments shouldn't be neglected. An illustrative example can be the following: even from 1998 Romania was present in Top 25 of Central and South-Eastern European multinational companies, due to SNP Petrom, that was later undertaken by Austrian Group OMV. Throughout this example we sustain the above hypothesis, according to which, a country's level and economy is measured on the international market also by taking into account the greatness of its multinational companies based on own capital that develop their activity in other states. Concluding, if Romania aims to become obvious on world stage, it must undertake big efforts in order for those own companies to be present in other countries throughout their subsidiaries.

Small states' position in comparison with great nations was always determined on geopolitical rations, especially when having for neighbors great powers and strategic interests on continent level, and finally on world level. In case of unequal relations between states, of power policy primacy, the small countries and even the middle ones were obliged, in the compulsory way, to maintain friendship relations as good as possible with the neighbors, on one side, and to avoid conflicts that would put them in obvious inferiority, on the other side.

Between the great countries there were competitive relations dictated for the conflict of interests in the nearby areas or even for far away regions. Small countries that found themselves

between the big ones became inevitably the trend objective for the great powers due to economic, politic, military or even strategic rations. History states that small countries were many times forced to use secret diplomacy, as a mean for surviving, for protecting their existence and integrity, when they were confronting with the greater powers that aimed to take them into their domination or even finish them out as national entities.

There existed various situations when small countries were temporarily annihilated by the great powers' policy, but their freedom aspirations towards independence couldn't ever be stopped, not even throughout rough repercussions, regardless the ideologies they served.

Economic diplomacy must be looked at by Romanian diplomats as one of the main foreign policy means that serve Romania's national interest. It is time to evolve and leave behind us the classic promotion of national companies, of capturing foreign investors and mediation between the national and international economic entities – as we traditionally name it commercial diplomacy. Romania's diplomacy must take a step towards a modern and pragmatic diplomacy that negotiates global architecture of economic government, sets the standards within the international economic organizations, administrates alliances and complex coalitions between the specific interest parties, shapes up the development for socio-economic and environment policies.

Romania's economic diplomacy attaches must have the capacity to influence the economic, national or multilateral policies, in the states or international organizations where they have the authority, in order to achieve Romania's economic strategic purposes.

In this way, the essential characteristics for Romanian diplomacy activity should be the efficiency, the continuity, the consistency, the credibility, the competitiveness and web work. So, Romanian attaches must be involved for engaging business contacts in the countries they are sent in, to develop the relations with the businessmen from the Romanian diasporas communities, in the exchange of specialized information with the European Committee missions and diplomatic representative of other Union's member states.

The recommendation is to realize a better coordination between the ambassadors and Foreign Trade Department attachés, as well as the establishing for each ambassador of a major economic project that should be implemented in collaboration with the central Foreign Affairs Ministry.

These requirements do not imply neglecting the traditional role of attracting foreign investments and promoting abroad the national companies' interests. The ambassadors must equally treat state companies, big, middle and medium foreign companies that wish to make a point on the outside market.

The activity of Romanian economic new diplomacy must take into account the new statute that Romania earned as a member of the European Union, that offers big development and promotion opportunities but also great challenges, throughout which valorizing Romania could recover the disadvantage towards the older Union's partners.

Our country proceeding is sustained by arguments like our country's strategic position regarding the main energy transportation roads towards Europe and our engagement towards Europe's energetic security insurance, the role we play across the European Union eastern boarder, the strategic partnership with USA, the active role within UNO, but also the dynamic concern on regional level.

This context imposes also the rehabilitation of market relationships with the Russian Federation, Middle Orient, South-East Asia, as well as with Latin America, that was a leit-motif of Romanian diplomacy objectives in the recent years.

Among the present themes of Romania's economic diplomacy we can mention: the way that our diplomacy should answer to the contemporary global economic challenges; energy diplomacy; promotion of Romanian products on foreign markets; positioning Romania in the way of international investments flow; Lisbon strategy; public diplomacy and cultural diplomacy role in administrating the world level challenges and while realizing the politic dialogue.

IV. CONCLUSIONS

As member state of the European Union, Romania needs an adequate economic diplomacy. Romania must become an excellence pole in the region, one of the average powers in the European Union, both from a politic and economic point of view.

Romania grew into an interesting country by proving to be capable to overcome its achievements. The recent economic growth is the result of a systematic effort, based upon four principles: free economy mechanisms, investments and continuous development stimulation, inflation diminishing policy and support for the healthy growth of the economy. In consequence, Romanians met a 23% revenue growth related to 2007, and for each of the past years the revenues grew with 15%-20%. There have been created 600.000 jobs and substantially reduced the black and grey labor market. The real convergence (related to the average level of the European Union) increased from 33% in 2004 to 41% in the present, with a forecast to 60% in 2012.

The investments' dynamic places Romania in the first line in The European Union: in the first semester of this year, they registered a growth with 35%. Also, Romania proved to be a favorable ground for the implantation of famous companies in the South East Europe.

As member state of the European Union, Romania's strategic objectives are linked to the inside evolutions of the Union, and in the following period, the accent must be set on the maximum valorizing of the European funds that Romania benefits of, the complete integration in the Union throughout the adhering to the Schengen and euro area, Romanian economy competitiveness growth as in the context of European economic medium and economy adaptation to the irreversible energetic and ecologic constraints of the XXI century.

For reaching these goals and for maintaining the actual economic growth, the diplomacy plays an essential role, to support the Romanian companies. In many states of the world we have a Romanian community trying to expand, that begins to be more and more integrated in the local socio-economical medium.

BIBLIOGRAPHY

1. Anghel, I.M., *Dreptul diplomatic i consular*, Lumina Lex – Publishing House, Bucharest, 2002;
2. Bojesu, V., Miron, D., *Valen e i limite ale diploma iei economice*, ASE–Publishing House, Bucharest, 2005;
3. Ciachir, N., Bercan, Gh., *Diploma ia european în epoca modern*, Bucharest, 1984;
4. Constantin, Vlad, *Diploma ia secolului XX*, Titulescu European Foundation, Bucharest, 2006
5. Dobrescu, E.M., *G-8: institu ia care protejeaz pe mai-marii lumii de maladiile economice*, www.financiarul.com
6. Felthan, R. G., *Ghid de diploma ie*, European Institute, Bucharest, 2005;
7. Helen Wallace, William Wallace i Mark A Pollack, *Elaborarea politicilor în UE*, European Institute in Romania, Bucharest, 2005
8. Maziliu, D., *Diploma ia. Drept diplomatic i consular*, Lumina Lex-Publishing House, Bucharest, 2006;
9. Nicholson, H., *Arta diplomatic*, Politic -Publishing House, Bucharest, 1996;
10. www.idr.ro – Institutul Diplomatic Român/ Romanian Diplomatic Institute;
11. www.mae.ro – Ministerul Afacerilor Externe/ Foreign Affairs Ministry;
12. www.fdsc.ro – Funda ia pentru Dezvoltarea Societ ii Civile/ Foundation for Civile Society Development;