



UNIVERSITY OF PIRAEUS
DEPARTMENT OF INTERNATIONAL
AND EUROPEAN STUDIES

POSTGRADUATE PROGRAMME

MSc IN INTERNATIONAL AND EUROPEAN STUDIES

THESIS

TITLE:

**ECONOMIC AND TRADE DIPLOMACY:
USA, CHINA AND EUROPEAN UNION**

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PIRAEUS, 2023

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ACKNOWLEDGEMENTS

I would like to wholeheartedly thank my supervisor Dr Spyridon Roukanas for his invaluable help and guidance during the writing of my thesis. I would also like to thank the other members of the supervising committee, Dr Angelos Kotios and Dr Athanasios Platias, for their teaching and inspirational lectures. I am thankful to my family for their support during the whole process of writing this thesis and to my friends for their encouragement. Finally, I would like to thank Mr Ioannis Smyrlis who gave me an interview as Secretary General for International Economic Relations at the Ministry of Foreign Affairs of Greece and Chairman of the Board of Enterprise Greece.

ABSTRACT

The aim of this thesis is to examine the role and the contribution of the economic and trade diplomacy in the United States of America, in China and in the European Union. In particular, the contribution of the economic and trade diplomacy in the evolution of the United States into a superpower, of China into a rapidly developing economy which seems to disturb the worldwide power correlation and of the European Union into a strong worldwide trade player will be examined. The importance of trade and trade negotiations in the early days of the United States until the most recent protectionist views of President Trump, the Belt and Road Initiative which can be seen as the New Silk Road for China and the development of the European Union from a group of six states into a total of twenty seven through a customs union, a single market and finally an economic and monetary union are presented. Greece is examined as a case study of a member state of the European Union, since it has regulated by law economic and trade diplomacy recently. A comparison of the economic and trade diplomacy in the United States of America, in China and in the European Union is made based on two factors; the role of the economic and trade diplomacy in the creation of them and the actors in each of them. The conclusion is that economic and trade diplomacy has contributed to the evolution of the USA into a superpower, of China into a rapidly developing economy which seems to disturb the worldwide power correlation and of the European Union into one of the biggest economies and a strong trade player worldwide. The contribution of this paper is the study of a subject not often examined, that is economic and trade diplomacy.

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ABBREVIATIONS

APEC Asia-Pacific Economic Cooperation

BIS Bureau of Industry and Security

BRI Belt and Road Initiative

CEE Central and Eastern Europe / Central and Eastern European

CEEC Central and Eastern European Countries

COREPER II Permanent Representatives Committee II

DG Trade Directorate General for Trade

ECG Export Credit Greece

ECIO Export Credit Insurance Organisation

ECOSOC Economic and Social Council

EEC European Economic Community

E.U./EU European Union

GATT General Agreement on Tariffs and Trade

NAFTA North American Free Trade Agreement

NGOs Non-Governmental Organisations

OECD Organisation for Economic Co-operation and Development

OEEC Organisation for European Economic Co-operation

PRC People's Republic of China

ROC Republic of China

RTAA Reciprocal Trade Agreements Act

TPC Trade Policy Committee

TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights

U.S.A./USA/US United States of America

USMCA United States-Mexico-Canada Agreement

VLCC Very Large Crude Carrier

WTO World Trade Organisation

1. Introduction

The aim of this thesis is to give prominence to the content, the role and the contribution of the economic and trade diplomacy in international relations, in foreign policy and in international political economy. This is achieved through the examination of the economic and trade diplomacy of a developed country that has established itself as a superpower, of a rapidly developing economy that seems to disturb the worldwide power correlation and of a group of states that collaborate economically and commercially between them and with third parties making one of the biggest economies and a strong trade player worldwide. These are the United States of America (U.S.A.), China and the European Union (E.U.) respectively. The importance of the economic and trade diplomacy becomes obvious by examining the case of Greece, which is a member state of the European Union that was affected to a great extent by the financial crisis of 2007-2009 and could benefit from this kind of diplomacy in order to recover and adapt in the challenges of the 21st century.

In terms of the methodology, the theoretical context of the economic and trade diplomacy and how this is performed by the U.S.A. China and the E.U. will be analysed. Subsequently, Greece will be examined as a case study of a member state of the European Union. The main point of reference for Greece is the interview I took from the Secretary General for International Economic Relations at the Ministry of Foreign Affairs of Greece and Chairman of the Board of Enterprise Greece, Mr Ioannis Smyrlis. This is an original interview which was taken on Friday 26 August 2022.

The structure of this paper follows the steps of the methodology applied. In the beginning, the definitions and a theoretical analysis of the basic terms of the paper are given. These terms are diplomacy, economic diplomacy and trade diplomacy. A distinction between trade diplomacy and commercial diplomacy is made even though, as it will be mentioned, these can be overlapping terms. Afterwards, the economic and trade diplomacy of the US, China and the EU are analysed. In the case of the US, some basic landmarks in the evolution of the economic and trade diplomacy that contributed to their emergence as a worldwide superpower are explicated. China's basic method of preserving and improving its status as a rapidly growing economy that seems to disturb the worldwide correlation of power is presented. This method is the Belt and Road Initiative undertaken the last years. The utilization of the Belt and

Road Initiative in terms of the Central and Eastern European countries is examined. European Union's evolution from a total of just six member states to today's twenty seven as it was formed in the economic and trade sector is presented through the basic steps of customs union, single market, economic and monetary union. After the presentation of the economic and trade diplomacy of these three parts of the world, a case study is examined. This is Greece, a member state of the European Union. A comparison of these three parts of the world and their economic and trade diplomacy is made based on two factors; the role that this kind of diplomacy played in the creation of them and the actors of it in each of them. In the end, some conclusions are made.

The contribution of this paper is the study of a subject not often examined, that is economic and trade diplomacy. It designates the processes undertaken in the economic sector worldwide and the international trade as major factors in the relations between the states and in the policies the states follow. In international relations and in economic and trade diplomacy, these processes and the trade turn into a growth lever, a lever of promoting the relations between the countries and a pressure factor of one country (or of a total of countries) against another country (or a total of other countries).

2. Definitions and Theoretical Framework

a. Introduction

In this initial part of my thesis, I will attempt to define the terms that constitute the heart of my paper; diplomacy, economic diplomacy and trade diplomacy. Even though the core subject is economic and trade diplomacy, a prior analysis of the umbrella term "diplomacy" is convenient in order to discover the general content, context and functions into which economy and trade operate.

b. Diplomacy

The term "diplomacy" refers to the "political activity" (Berridge, 2007) that a country performs in the context of developing its foreign relations with peaceful means (Berridge, 2007, Papastamou, 2018). In this context and in the context of exercising foreign policy, diplomacy is exercised by the Ministries of Foreign Affairs of the

various states which have representatives in foreign countries with which interests are at stake. Performing this kind of formal diplomacy by career diplomats, who represent a ministry established for planning and implementing the foreign policy of the country in which the ministry is located, contributes to the balance of power between the states. Contemporary diplomacy has its origins on the Italian city-states of the 15th century and was based on the French system, since the first Ministry of Foreign Affairs was constituted in France. This took place on 1626 under the auspices of Cardinal Richelieu. Since then and until the middle of the 20th century diplomacy was about the bilateral relations between the states. Some diplomatic practices were institutionalized in the context of Vienna Convention on Diplomatic Relations (1961) and of Vienna Convention on Consular Relations (1963) (Berridge, 2007: 178, Leguey-Feilleux, 2009: 1-2).

Apart from being a political activity, diplomacy constitutes a technique through which the diplomat gains experience (11) and deploys her/his intelligence, imagination and comprehension (64) (Berridge, 2007). Contact and communication with high-ranking members of foreign states and the administration and resolution of problems and state affairs in a foreign state with different culture and language require tact, thoughtfulness, skillfulness and a high level of perception (Leguey-Feilleux, 2009: 2). Some fundamental methods of conducting diplomacy are telecommunications, bilateral diplomacy, multilateral diplomacy, summit diplomacy and mediation (Berridge, 2007). Telephone diplomacy is used for direct communication and tends to be more useful and appropriate for communication between allies during times of crisis, while it is avoided when handling diplomatic crises between hostile states (147-156). Bilateral diplomacy finds its roots in the French system of diplomacy. Some of its essential characteristics are the permanent missions, the protocol regarding the diplomatic etiquette in the various procedures that are followed, the good belief and the transformation of diplomacy into a profession which includes recruitment, education, training, hierarchy, salary (169-178). In some cases, for example when a state or government does not recognize another state or government and the formal diplomatic relations are broken off, there are some non-conventional ways of conducting diplomacy. These are the special interests departments that operate under the auspices of a third country that is considered the protecting power, the consular departments, the representatives' offices and the frontline missions, such as trade

missions, travel agencies and scientific missions. Apart from the consular departments, the other three types can be considered as “disguised embassies”. (205-218) Multilateral diplomacy is performed when three or more states participate in a summit. There are two different types of summits in multilateral diplomacy; ad hoc and permanent summits. Multilateral diplomacy (in today’s form) began in the 19th century and reached its peak in the 20th century with the increase in the number of international organizations. (223-252)

Berridge (2007: 12-13) regards negotiation “the basic function of the diplomatic mechanism”. On the other hand, Leguey-Feilleux (2009: 5) considers that negotiation is one of the basic functions of diplomacy. However, both of them propound that career diplomats do not dedicate most of their time in negotiation but in other major functions. In his book *Diplomacy: Theory and Practice* (2007: 145), Berridge cites that the basic functions are “data collection, exerting pressure, clarification of intentions, supporting trade and economic activities, assisting citizens abroad and development of a positive view towards the foreign policy of the mother state”.

c. Economic Diplomacy

Modern developments render traditional diplomacy, which is exercised exclusively by the Ministries of Foreign Affairs with the basic issues of balance of power and security, obsolete. The rapid technological evolution and the globalization contribute to a world where the communication between people in remote places is easier and quicker than ever before, the distances are reduced to the minimum and the actions taken by one state influence another state much more than any other period in human history. In this context, the economic and trade relations between states are under constant influence. For example, a multinational company in a foreign country has an impact on the relationships between the mother country of the company, since this attempts to penetrate in a foreign market, and the country that hosts the foreign company, since new job positions that contribute to the economic development are created in the latter. This kind of economic interdependence between different states is so close in the 21st century that the states have to administer their economic and trade relations with other states. At this point, the concepts and terms of economic and trade diplomacy arise. Moreover, the existence of non-state actors, such as Non-Governmental Organisations (NGOs), and the presence of the civil society, which is

intensified by networking, seem to play a pivotal role in contemporary diplomacy which is exercised by many different actors and not exclusively by the Ministry of Foreign Affairs. For example, climate change and environmental crisis constitute an international problem that affects all states and cannot be considered a bilateral affair. In order to tackle this, scientists with knowledge and expertise in environmental problems, non-state actors that defend the planet protection and financial experts who can contribute to the decision-making for the handling of the climate change are required.

Economic diplomacy is “the decision-making processes” that “determine the transnational and international economic relations” (Papastamou, 2018: 85). According to Okano-Heijmans (2011: 16-20), economic diplomacy has various aspects in the context of which political and economic tools are used and its exercise can be affected or/and defined by political or economic objectives which it serves. For instance, trade diplomacy is a political tool while sanctions are an economic tool. Furthermore, economic diplomacy is composed of four elements and dimensions: context, tools, theatres and process. Context refers to when economic diplomacy is performed and is examined by international relations scholars. Tools refer to the means that economic diplomacy utilizes and are examined by the economists. Theatres are about the institutions and organizations where economic diplomacy is exercised and are examined by international political economy scholars. Process refers to how economic diplomacy is performed and is examined by diplomacy studies scholars. (Okano-Heijmans, 2011: 20-23)

It is worth mentioning two different arguments that are found in bibliography regarding international political economy and economic diplomacy as academic fields. On the one hand, as Okano-Heijmans (2011: 29) mentions, Stephen Woolcock classifies economic diplomacy as a subcategory of international political economy. He suggests that the process through which decisions in international economic relations are affected and defined are part of the structure they are composed. On the other hand, Okano-Heijmans (2011) advocates that international political economy and economic diplomacy are distinct fields (29). For her, economic diplomacy is treated in terms of realism, that is as the search of economic security in an anarchic international system (16) while international political economy is defined as the ways in which politics determines the structures that express the economic relations

(institutions, organizations) and how these structures affect politics. However, she believes that international political economy is substantial for the study of economic diplomacy since it combines the study of foreign policy aims and of trade tools with the study of trade aims and of foreign policy tools and this constitutes the framework in which economic diplomacy is shaped, evolved and realized (27).

The aim of this thesis is to examine the processes that have taken and take place in the economic and trade diplomacy performed by the United States of America, that is by a developed economy that has been established as a superpower, by China, that is a rapidly growing economy which seems to disturb the well-established primacy of the US and attempts to penetrate in various markets, and by the European Union, that is by a group of states that cooperate to a great extent economically with each other and with third parties forming one of the most important economic and trade global powers. The term “process” has a key role in the definition of economic diplomacy as given above. However, it should be underlined that in economic diplomacy an extensive network of actors and means interact while the various aspects that have been mentioned sometimes overlap (Papastamou, 2018: 91, International Trade Centre, 2019: 9, Okano-Heijmans, 2011: 16-17). Therefore, the examination of the topic will include the different aspects and the different elements that the various actors apply for reaching their aims.

In terms of the actors, the arguments about who is more important differ. While Okano-Heijmans (2011: 16, 22) propounds that the state has the primacy, Papastamou (2018: 92) recommends that the market is the predominant player. In reality there is an elaborate network of relations and connections in local, national, regional and international level that includes the decision-making political bodies, the international organizations, various fora such as G7, G8, G20, the non-state actors, market representatives and civil society representatives that act in the context of the common interests of their members. For example, in the United Nations Climate Change Conference in Glasgow in November 2021 not only did financial companies, that are affected by the conclusions of the Conference and try to affect the decision-making bodies, take part, but also activists and representatives of movements for the environment protection, that expect to achieve their goals.

d. Trade Diplomacy

Trade diplomacy constitutes part of economic diplomacy (International Trade Centre, 2019). Career diplomats specialized in trade issues or trade representatives of states or even of private companies and corporations are usually the actors. Trade diplomacy refers to their actions for promotion of enterprises of their mother country abroad or for attracting foreign direct investments in their mother country. Promoting trade and tourism and providing business advice are some other activities of the trade representatives. Okano-Heijmans (2011) argues that trade diplomacy is deployed as a political instrument in the context of economic diplomacy.

At this point, it is useful to make a distinction between two terms that seem similar in the English terminology (Okano-Heijmans, 2011). On the one hand, there is commercial diplomacy and on the other hand there is trade diplomacy. These two terms have different connotations and reflect different objectives. Commercial diplomacy is the diplomacy that aims at commercial benefits and economic prosperity, such as tourism promotion and providing business advice. Trade diplomacy is the diplomacy that refers to bilateral or multilateral negotiation concerning a trade agreement, such as the multilateral negotiations in the World Trade Organisation (WTO), but also to the trade measures taken by one or more states against one or more states, such as the tariffs, the sanctions. In terms of commercial diplomacy, the aim is business-oriented and aims at the profit, while in terms of trade diplomacy the aim is both business-oriented and political and diplomacy is performed in the context both of trade-business development and of balance of power between states. It is worth mentioning that because of the interconnection of the topics and of the interdependence of the actors, these two concepts seem to overlap in practice.

For the purposes of this thesis, focus is given primarily to the concept of trade diplomacy since it includes both economic and political goals that seem to describe better and in a more complete way the processes that affect and ultimately define the performance of economic diplomacy. According to Tussie (2015: 625), trade diplomacy is “the management of trade regimes as well as the market factors affected by the regime”. Within this context, she states that in the second half of the 20th century many Ministries of Foreign Affairs have integrated within their jurisdiction trade issues. For instance, Australia renamed the Department of Foreign Affairs to Department of Foreign Affairs and Trade in the end of the 1980s. This switch in how

trade is dealt with by the Ministries of Foreign Affairs could be considered a switch in global diplomacy.

Even though economic and trade diplomacy are relatively contemporary academic subjects, case studies can be found even from ancient times. For example, in *History of Peloponnesian War* Thucydides mentions that Athenians applied an embargo against the city of Megara, that is the trading between Megara on the one hand and Athens and its allies on the other hand would cease. The Athenians' aim was to make Megara withdraw from its alliance with Sparta and return to the alliance with Athens. This embargo disturbed both Megara and Sparta and the rest of its allies, since their prosperity and security were under threat by superpower Athens (Platias & Trigkas, 2021: 30). Not only could Megara and Sparta face a shortage of products but have their security threatened as well. In this case, embargo was a political tool of the economically powerful Athens in order to harm its enemy's ally, namely Megara, that had supported Sparta.

Economic diplomacy nowadays consists of a variety of topics and subjects that have both economic, trade, business and political goals and is performed by government officials and by individuals as well. As in the case of economic diplomacy, the actors in the trade diplomacy are multiple and various. Papastamou (2018: 133) emphasizes that the limits between public and private sector are obscure in our age, since the private sector collaborates with the public one or moves into "control practices, namely acquisitions and mergers" with public companies. Another great initiator of trade diplomacy is the civil society organized and taking action in the form of numerous Non-Governmental Organisations (NGOs). Their role is best reflected in their influence on the institution that was created to epitomize the governance of the global trade, that is the World Trade Organisation (WTO). NGOs have been integrated in the process of making decisions and reaching conclusions in WTO. For example, the attempt to "eliminate cotton subsidies" (Tussie, 2015:631) and the attempt to foster public health despite the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (632) were motivated by NGOs. The final result that seemed to promote their claims was depicted in the Hong Kong ministerial declaration (2005) and in the Doha ministerial declaration (2001) respectively. In the second example diplomacy moved forward. In 2003 there was an additional WTO agreement and in 2005 there was an amendment to TRIPS Agreement so that the

demand of the civil society and of the developing countries for the latter's wider access in the production and distribution of generic drugs could be satisfied. However, it came into effect only in 2017 and only for the members who had accepted it (WTO, 2022).

As WTO can be considered the international organisation that is representative of international trade diplomacy, it is important to refer to two aspects of the internal diplomacy taking place there and how these have given rise to the controversies surrounding it. The first aspect is the so-called "green room" diplomacy. The green room is the conference room of the Director General of the WTO. It is also a term referring to the "the closed meetings between the director-general and a small group of members, both industrial and developing, as well as a number of other major trading countries deemed to be representative" (Tussie, 2015: 628). Those who criticize the World Trade Organisation and its operation question this kind of diplomacy since these closed meetings can be accused of underrepresentation of all the member states. This poses the question of deficit of democracy in the way the negotiations and the decisions are made.

The second aspect refers to the coalitions within the World Trade Organisation. These coalitions are mainly consisted of developing countries which try to gain positive results for themselves since they present their arguments as one voice. Such coalitions are the G20, which is not the same with the finance G20 and includes the developing countries of Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, Egypt, El Salvador, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Tanzania, Uruguay, Venezuela and Zimbabwe, and the G33 (Tussie, 2015: 635, 641). The key role in the advance or in the obstruction of trade negotiations that these coalitions can play was evident in the ministerial meeting of Cancun in 2003. In this ministerial meeting they succeeded in excluding the issues of investment, competition and transparency in government procurement from the Doha Round. These three issues along the fourth of trade facilitation consist the four issues of the 1996 Singapore ministerial meeting agenda. As a result, the negotiations in Cancun in 2003 reached a deadlock and the Doha Round was not advanced. After the 2003 Cancun ministerial meeting, the G33 demanded "special and differential treatment" such as products without "tariff or quota reduction commitments" (635). Nowadays, these coalitions adopt a more public

role, collaborate with NGOs and promote together their aims and cooperate. This cooperation make them more “evolved” (635) in their demands than their beginnings, especially since their engagement with NGOs render them more diplomatically active.

e. Conclusions

The three basic terms that determine the content of the paper were defined and analysed. Diplomacy is “political activity” and a technique. Some characteristics of diplomacy are telecommunications, bilateral diplomacy, multilateral diplomacy, summit diplomacy, mediation and negotiation. Classic diplomacy is conducted by the Ministries of Foreign Affairs. Economic diplomacy is the processes taking place that determine the decisions in economic relations. The technological evolution and the globalization contribute to a broad network of actors in the field of economic diplomacy; the state, the market, non-governmental organizations, the civil society, scientists and experts. Economic diplomacy is not just about economics. Both political and economic tools are used and the objectives can be political and/or economic. Trade diplomacy refers to the trade regimes and can be seen as a subcategory of economic diplomacy. Trade promotion, trade agreements, trade sanctions are some instances of trade diplomacy. Nowadays, several Ministries of Foreign Affairs have integrated within their jurisdiction trade issues. World Trade Organisation is the international organisation responsible for trade. However, its role, work and effectiveness are undermined by green room diplomacy and coalitions within it.

3. Economic and Trade Diplomacy of the United States of America (U.S.A.)

a. Introduction

The United States of America have been established as a superpower. In this part of my thesis I will attempt to focus on some milestones of the American economic and trade diplomacy examining a series of events and processes before the American Independence until today that contributed to this. Even though historical facts and events should probably not be the basic part of a diplomatic thesis, in this case and because diplomacy is interwoven with the history evolution, historical facts will be

included. Their role is to help readers understand the context into which USA developed into a superpower especially through its economic and trade diplomacy.

b. The Model Treaty (1776)

The history of the United States is constituted by a series and a total of processes and economic decisions that defined their development from their independence to the creation of a superpower. Field (1984: 51) states that “American diplomacy found its origin in commerce”. On their way to independence from the British, American colonies searched for alliances. Because of the rivalry between French and British and based on the good relationship between French and Spanish, the Continental Congress approved the Model Treaty on 1776. The Model Treaty was a template for commercial agreements with France and Spain. Based on the Model Treaty, the Treaty of Amity and Commerce and the Treaty of Alliance with France were signed on 1778. The former provided France and the US with “most-favored-nation trading privileges” and with the capacity to have consuls in each other’s cities. It also recognized US independence. The latter forbade either country “to make a separate peace with Britain” and allowed Spain and other European powers to join the alliance. (Office of the Historian, Department of State, 2022)

c. The Louisiana Purchase (1803)

A characteristic example of American economic diplomacy after the Independence is the purchase of Louisiana from France in 1803. With this purchase, the newly-established state doubled its territory and gained access to the river of Mississippi and the port of New Orleans, both of which are crucial for the economy and the trade.

As the definition of economic diplomacy implies, accomplishing decision-making processes takes time and is affected by a series of different factors that contribute to the final result. Some of these factors can be the balance of power of the nations or the countries, the economic situation of the countries and the people, the social satisfaction or dissatisfaction of their living conditions. In order to reach the Louisiana Purchase of 1803, a series of events and processes took place. In particular, during the last years of the 18th century there was increased rivalry between the European states. Especially Britain and France were in great hostility. This matter was crucial for the United States since the first President George Washington chose to follow the policy

of neutrality in terms of European conflicts. Washington's declaration and encouragement of American neutrality meant that he had to maintain a balance between two of the most prominent figures in his government, namely Thomas Jefferson and Alexander Hamilton. The former was the Secretary of State and pro-French. The second was the Secretary of the Treasury and pro-English. Their opposing views concerning the foreign policy were the basis for the creation of political parties in the USA, that is the Federalists led by Hamilton and the Jeffersonians led by Jefferson. George Washington encouraged American neutrality even in his Farewell Address on 1796. (Office of the Historian, Department of State, 2022)

One way to maintain this neutrality was the signing of treaties such as the Pickney Treaty with Spain on 1795. In particular, the newly established state spread through the Appalachian Mountains. The best possible way to transfer goods and commodities was through the rivers which are navigable and especially the Mississippi River. However, the Spanish Government, which controlled the lands on the west of the young state and into whose territory spread the southern part of the Mississippi River, forbade the American ships to navigate the Mississippi River and prevented the US from developing its commerce. Because of a change of interests of the Spanish during the wars of the French Revolution, the Spanish Prime Minister Godoy agreed with the US representative Thomas Pinckney to the US right of free navigation of the Mississippi. The Pinckney's Treaty or Treaty of San Lorenzo (1795) also permitted duty-free transport of goods through the Spanish-held port of New Orleans. (Office of the Historian, Department of State, 2022) This treaty, along with others, contributed to the appeasement of the residents of New England and to the promotion of prosperity of "farmers, merchants, and shipowners from Maine to Charleston" (Field, 1984: 19).

Until 1800, there were three important economic developments that could affect the foreign relations (19). The first one was the rise of maritime commerce (19) which "by 1800 carried ninety percent of American exports and imports" (20). The second was the introduction of a new export crop, namely the upland cotton. On 1800, ninety percent of the production was exported to the British textile industry, reinforcing the relations with Britain and boosting US confidence since it produced and sold a product that was considered important for the European economy and living (20). The

third was a new wave of settlement instigated by “shortage of New England farmland, Virginia soil exhaustion, and the expansion of cotton growing into the Piedmont region” (20). These three developments implied the prominence of the access to the Mississippi river, the western rivers, the ports and the deposit at New Orleans.

New Orleans is filled with colonial and trade history, since along with the Mississippi it allowed merchants to export their goods. New Orleans was a French colony until 1763 that it passed to the Spanish. Free navigation of the Mississippi and transport of American goods in the vessels at New Orleans were settled with the Pickney Treaty with Spain on 1795. However, in 1800 Napoleon Bonaparte got Louisiana back from Spain and the US felt uncomfortable about the status of the Pickney Treaty. President Thomas Jefferson sent James Monroe in France to join Robert Livingston in order to buy New Orleans and West Florida for 10 million dollars. At that period Napoleon attempted to crush the Haitian Revolution and use the nearby Louisiana “as the granary for his empire”. His loss of Haiti and a possible new war against Britain made Louisiana “strategically undesirable”. Thus, instead of reviving the French Empire in the New World, Bonaparte agreed to sell the Louisiana territory for 15 million dollars in 1803. In this way, US obtained 530.000.000 acres of territory and full access and dominance over the Mississippi river and the port of New Orleans, gaining advantage over trade in the region. (Office of the Historian, Department of State, 2022)

d. Reciprocal Trade Agreements Act (1934)

A momentous event in the history of American economic and in particular trade diplomacy is the Reciprocal Trade Agreements Act (RTAA) of 1934. According to this law, the Congress passed the jurisdiction of negotiating reciprocal trade agreements with other states to the President of the United States of America. This Act is into force until today and as it will be proved by the analysis of the former US President Trump’s trade policy, it determines USA’s economic diplomacy and trade relations with its partners. In more detail, in 1930 the Smoot-Hawley Tariff Act was voted in Congress. According to this law, Congress members voted protectionist measures that would be related to their electoral region with two possible negative consequences. First, the benefit that “a competitive in terms of imports sector” (Hiscox, 2018: 159) in a region could be damage for the federal economy as a whole. Second, the members of the legislative body from other electoral regions could

suggest and promote protectionist measures for their region. This could lead to a perpetual vote exchange for protectionist measures in order to support other members with similar views and suggestions without taking into account the cost for other regions. The Smoot-Hawley Tariff Act was a “destructive case of vote exchange” (159) and “the worst tariff act” (161). As a result, the Congress passed the negotiating jurisdiction for reciprocal trade agreements with other countries to the executive branch of the government, namely the President, through the Reciprocal Trade Agreements Act in 1934. It had temporary force until 1937. Congress was renewing the negotiating jurisdiction to the President for the following years and in 1974 it expanded to the negotiation of non-tariff barriers as well (162). The Congress approves or rejects the trade agreements with voting. 1934 might be considered as the year that the USA made a twist from protectionism to the liberalization of the trade, something that changed during World War II.

The Reciprocal Trade Agreements Act contributes to understanding how decision-making in national level affects the international economic relations and can play a key role in global market. For example, the RTAA decreased the tariffs within the country and by extension reduced the tariffs abroad. As a consequence, foreign states adopted a positive attitude towards the liberalization of trade and the increase in exports. Nowadays this tends to be common tactic for the member-states of World Trade Organisation. On the contrary, non-member-states of the WTO, especially developing countries, have not managed to reform their trade policy and steer themselves towards liberalization. Thus, a trade reform that aims at the decrease of tariffs and the liberalization of trade is easier to be achieved if it takes place in terms of bilateral or regional free trade agreements (Hiscox, 2018: 161). A second example that shows how RTAA had an impact on economic and trade diplomacy of the USA regards protectionism. In particular, until RTAA was voted, special interest groups could present their views in the Congress. This gave the chance to put pressures that would contribute to have measures be taken that protect their sector. In 1934 RTAA brought changes and in Congress it was discussed to what extent the negotiating power that had been assigned to the President would be increased and after 1974 it was discussed whether the agreements that had already been negotiated would be implemented. In general, the access of special interest groups in Congressional

hearings and committees fosters taking protectionist measures (Hiscox, 2018: 162-163).

The crucial role that the President holds in terms of trade diplomacy is manifested in the fact that the Office of the United States Trade Representative is part of the Executive Office of the President (The White House, 2022). An interesting example of the active trade diplomacy in which this Office engages is the wide range of free trade agreements that are in force. In particular, there are free trade agreements with twenty countries; Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Singapore (Office of the United States Trade Representative, 2022). The United States-Mexico-Canada Agreement (USMCA) substituted the North American Free Trade Agreement (NAFTA) (ibid). It is the result of the more protectionist trade views and actions in which the former US President Donald Trump engaged. It will be analysed in the following parts of this thesis.

e. USA after World War II

After WWII USA had emerged as a worldwide superpower and they played a major role in the organization of the international system. They promoted multilateralism in global economic system through the creation of international organizations that would regulate basic economic functions. During Bretton Woods Conference (1944) two international organizations were founded: the International Monetary Fund that would be responsible for the monetary system and World Bank that would take action in the field of development. In terms of the trade system, which would be the third pillar that would structure international economic relations, an agreement for the establishment of the International Trade Organisation (ITO) was signed in 1948. However, it never operated, because this agreement was not ratified by the Congress (Capling & Trommer, 2018: 197). The trade regime was based on General Agreement on Tariffs and Trade (GATT) that had been signed in 1947. Nowadays, World Trade Organisation (WTO) is the institution that is responsible for the arrangement of trade issues. It is the descendant of GATT and was founded in 1995. World Trade Organisation could be characterized as the institutionalized international organization with the jurisdiction of rules arrangement for access to the markets. Its predecessor is

GATT that was created in 1947 after World War II in an attempt to have economic development achieved through international trade.

f. President Trump's Trade Protectionism and Competition with China

President Donald Trump is the most recent US President who has fulfilled his term. Since he followed a different course in performing his country's economic and trade diplomacy from the most recent US Presidents, it is worth examining what characterized his tenure which in a big part was defined by the rise of China.

President Trump's economic and trade diplomacy was based in launching trade war against traditional commercial allies, that is the EU, Canada, Mexico, and against a rising power, namely China. In March 2, 2018, he launched trade war by tweeting "trade wars are good and easy to win" (Amadeo, 2022). This trade war aimed various sectors, such as aluminum, steel, autos and telecommunications. In terms of steel and aluminum, he based his argument for imposing tariffs on the findings of the investigations of the Commerce Secretary Wilbur Ross. These two investigations began after his request to Ross. The argument on which he based this trade war was that the US national security was in danger. The initial announcement in March 1, 2018 referred to a 25 percent tariff on steel and a 10 percent tariff on aluminum which would target both allies and China. The EU's response to this announcement was immediate and in March 7, 2018 the EU announced its planned retaliatory measures, such as tariffs targeting US imports to the EU and filing a WTO dispute. In March 22, 2018 Trump exempted the EU from the steel and aluminum tariff but only until the beginning of May. Finally, in June 1, 2018 the 25 percent tariff on steel and the 10 percent tariff on aluminum were put into effect for the EU. The European Union retaliated by imposing tariffs on American goods such as bourbon whiskey, corn, motorcycles and yachts in June 22, 2018. In July 16, 2018, the USA filed dispute at the World Trade Organisation against the EU. In January 24, 2020, Trump imposes more tariffs on steel and aluminum products from the EU among others. In May 17, 2021, while the President is Joseph R. Biden Jr. and a pandemic is under way, there is excess capacity in the metal industries. The EU suspends initiating another round of retaliatory tariffs on US exports and both the EU and the US agree to discuss the unfair trade policies supported by countries such as China. In October 31, 2021, the

US puts an end to the tariffs imposed on EU metal exports from 2017 onwards and the EU removes tariffs on US-made products. (Bown and Kolb, 2022: 4-8)

Apart from the tariffs on the European allies, President Trump also imposed tariffs on two American allies, Canada and Mexico. Like EU, in March 1, 2018, the 25 percent tariff on steel and the 10 percent tariff on aluminum targeted Canada and Mexico. However, in March 8, 2018, he announced steel and aluminum tariff exemptions for these countries as there were renegotiation talks on the North American Free Trade Agreement (NAFTA). In June 1, 2018, the US finally imposed the 25 percent tariff on steel and the 10 percent tariff on aluminum on Canada and Mexico, as on the EU. One month later, in July 1, 2018, Canada imposed tariffs on US products whose worth was 12.8 billion dollars in 2017. In accordance to the EU, in July 16, 2018 the US Trade Representative filed disputes at the WTO against Canada and Mexico. In August 27, 2018 the American President Trump and the Mexican President Nieto announced “a preliminary US-Mexico trade agreement that would potentially replace NAFTA” (17). This trade agreement would have a side deal that would exempt Mexico from future potential US tariffs on autos. Mexico should “comply with new rules of origin” (17) and put quotas in its auto exports to the United States. In November 30, 2018 the three countries signed the US-Mexico-Canada Agreement (USMCA). The two neighbouring countries of the United States signed side letters that aimed to prevent tariffs on autos. In May 21, 2019 the US lifted steel and aluminum tariffs on Canada and Mexico while Canada and Mexico would remove tariffs on US agricultural and consumer products. This happened with a view to ratifying the USMCA. It is noteworthy that the former President used this tariff threatening with a view to achieving the deterrence of illegal immigration from Mexico. As a result, even though in May 30, 2019, his administration initiated the approval process of the USMCA by the Congress, it was on the same day that he announced 5 percent tariffs on all US imports from Mexico. Some days later, in June 7, 2019, Trump announced that he suspends the scheduled tariffs against Mexico “after reaching a signed agreement with the country to reduce or eliminate illegal immigration” (18). In July 1, 2020, the USMCA entered into force and replaced NAFTA (Office of the United States Trade Representative, 2022). In August 6, 2020, Trump announced 10 percent tariffs on Canadian aluminum products. The Canadian government planned to retaliate at a proportionate level aiming US aluminum products being exported to Canada. In

September 15, 2020 Trump took back his announced duties on Canadian aluminum but asked for restriction of exports of these products (quotas). (Bown and Kolb, 2022)

The trade war that Trump initiated in the global economy is best depicted in the trade policy he followed against China. The former President turned against China in three different sectors; the steel and aluminum industry, technology and intellectual property issues, and the telecommunications sector. As already mentioned for the EU, in 2018, the US imposed tariffs of 25 percent on steel and 10 percent on aluminum under national security threat. Among other states, these tariffs targeted Chinese exports worth 2,8 billion dollars in 2017. China retaliated by imposing tariffs on US exports worth 2,4 billion dollars in 2014. In July 16, 2018 the US filed a WTO dispute against the tariffs China imposed as retaliation. In January 24, 2020, Trump imposed new tariffs on steel and aluminum products from several countries. Chinese products were among them. (Bown and Kolb, 2022: 4-8)

In terms of the technology and intellectual property issues, China was found “conducting unfair trade practices related to technology transfer, intellectual property, and innovation under Section 301 of the Trade Act of 1974” (Bown and Kolb, 2022: 9). After several months of threatening each other of imposing tariffs, in July 6, 2018, the US and China imposed tariffs on products worth 34 billion dollars for each country. The US targeted intermediate inputs while China targeted agricultural and food products. The US tariffs on intermediate inputs could disturb the supply chains and lead to shortages and price increases in the final products. The effect on American farmers from the tariffs was such that subsidies based on “a law that supported farmers during the Great Depression” (11) were announced. In August 13, 2018, Trump passed a law on trade and national security through which foreign investments in the US and transfers of technology abroad would be supervised. In August 23, 2018, the US and China imposed tariffs on products worth 16 billion dollars for each country. On September 24, 2018, the US imposed tariffs on Chinese imports worth 200 billion dollars and China retaliated by imposing tariffs on US imports worth 60 billion dollars. The trade deficit between the two countries arises, since at this point the US had imposed tariffs on just “12 percent of its total imports during 2018”, while China had imposed tariffs on all US imports. The role of multilateral diplomacy came in front during the G20 meeting. In December 1, 2018, President Trump and President Xi announced a tariff truce. However, in May 5, 2019, the US President tweeted that

he will increase the 10 percent tariff on 200-billion-worth products to 25 percent. This came into effect five days later. In June 1, 2019, China increased its retaliatory tariffs. After several months of continuing threats from both sides about imposing new and increasing existing tariffs, in January 2020 the two countries reached a deal, namely the Phase One Deal. According to this deal, most tariffs continue, China would buy an additional 200-billion-dollar-worth US exports and would not address state aid and state-owned enterprises. By the end of 2020, China had bought around 55 percent of its 2020 year-to-date target of US goods, falling short of the agreed deal. This highly protective stance against China seems to continue under Biden administration that did not overturn the Phase One Deal. (Bown and Kolb, 2022: 9-16)

In terms of the telecommunications sector, Trump's protectionism aimed to protect the semiconductor industry of US. The trade war in this field focused on two Chinese companies; the telecommunications equipment manufacturer ZTE and the Huawei. In March 7, 2016, ZTE was added to the entity list. This means that American companies should have a license to sell goods or services to ZTE. One year later, a 1,19 billion dollars penalty was imposed by the US Department of Commerce's Bureau of Industry and Security (BIS) in China for not abiding by US sanctions "prohibiting the sale of certain technologies to Iran and North Korea". On April 16, 2018, the United States activated a denial order against ZTE because of false statements made by ZTE to the BIS. This leads to ZTE not being able to buy US parts and components. In July 13, 2018, the denial order was lifted since the ZTE had paid a 1 billion dollars penalty and 400 million dollars in escrow. In August 13, 2018, the Export Control Reform Act became a law. This law was a call to consider "emerging and foundational technologies" that are crucial for national security and should be subject to export controls (Bown and Kolb, 2022: 19). In January 28, 2019, the US Department of Justice indicted Huawei for "financial fraud, money laundering, conspiracy to defraud the United States, obstruction of Justice, and sanctions violations" (19). In May 15, 2019, Huawei was included in the entity list. In August 19, 2019, Huawei subsidiaries in various countries, such as Germany and Singapore, were added to the entity list. In spring 2020 the US tightened its restrictions to prevent Chinese companies from buying US technology that could be used in semiconductors. In August 17, 2020, the US changes the Foreign-Produced Direct Product Rule so that Huawei is even more restricted from buying US-manufactured chips or chips

manufactured outside the US using American technology. However, these export restrictions led to a great decrease in US sales. In December 18, 2020, the US added the Semiconductor Manufacturing International Corporation (SMIC), which is a Chinese semiconductor producer, to the entity list, restricting even more the access to US technology.

g. Conclusions

The United States of America have been established as a global superpower. Economic and trade diplomacy contributed to this. In order to prove this, I examined some milestones in American economic and trade diplomacy. The Model Treaty (1776) was a template for commercial agreements with France and Spain. The Pickney Treaty (1795) with the Spanish let the free navigation of the Mississippi river and the transport of American goods at New Orleans. With the Louisiana Purchase (1803) the newly-established state doubled its territory and gained full access to Mississippi and the port of New Orleans. With the Reciprocal Trade Agreements Act (1934) the jurisdiction of negotiating reciprocal trade agreements with other states passed to the US President. This Act continues to be into force. By the end of World War II the USA had become a superpower. One of the basic values it promoted was multilateralism. In the field of economics, this would be achieved through the creation of international organizations such as the World Trade Organisation that was inaugurated in 1995. The General Agreement on Tariffs and Trade (GATT) was signed in 1947 and is the predecessor of WTO. President Donald Trump is the most recent US President that has completed his tenure. This was characterized by highly protective measures against both traditional allies such as the EU, Canada and Mexico, and a rising power, namely China. Tariffs against the EU and especially against the EU steel and aluminum and a replacement of NAFTA with USMCA were part of this protectionist stance. The trade war against China focused on three sectors; the steel and aluminum industry, technology and intellectual property issues, the telecommunications sector. Tariffs imposed by the US were answered by retaliatory tariffs. This shows the negative effects that protectionism can have, since it results in supply shortages and price increases that affect the consumers worldwide.

4. Economic and Trade Diplomacy of China

a. Introduction

In this part of my thesis I will examine the economic and trade diplomacy of China as it is performed nowadays. This contributes to understanding how it has become a rising power. In particular, I will focus on the contemporary Silk Road, that is the Belt and Road Initiative (BRI) launched by the incumbent President Xi Jinping. The Silk Road was the land and maritime trade route that connected China with Europe, North Africa, Arabia, Central Asia and India (Capling & Trommer, 2018: 188). Belt and Road Initiative connects China with “Mongolia and Russia; Eurasian countries; Central and West Asia; Pakistan; other countries of the Indian sub-continent; and Indochina” (OECD, 2018: 3). BRI consists of “a broad network of railways, pipelines, ports, and roads” and involves 64 countries (Pepermans, 2018: 184). The Belt and Road Initiative can be seen as the contemporary way of China’s attempt to network and lead in a rapidly growing world through large infrastructure projects that it undertakes. There are several manifestations of Belt and Road Initiative but I will give emphasis to the 16+1 forum and the maritime route.

b. Belt and Road Initiative: the 16+1 Forum

In 2012 China launched the 16+1 forum. It is “a platform” (Pepermans, 2018: 181) between China and 16 countries in Central and Eastern Europe (CEE). The 16 Central and Eastern European Countries (CEEC) are Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, North Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia (Pepermans, 2018: 181, Garlick, 2019: 1390). It is noteworthy that five of these countries are not EU member states. These are Albania, Bosnia & Herzegovina, North Macedonia, Montenegro and Serbia.

There are several views on the role that the 16+1 forum is supposed to play. The official view presented and repeated by the Chinese government is that it contributes to a win-win cooperation that benefits both China and the 16 CEEC. Cooperation, coordination, connectivity, openness, inclusiveness, trade and cultural exchange, mutual learning and mutual benefit are the basic elements of this approach. The 16+1 cooperation is based on the creation of big infrastructure projects that the CEEC have

so in need. Railways, pipelines, ports and roads are the projects for which the funding of the European Union is not enough. The CEE leaders seem to welcome these investments in their country. PRC has promised a US \$ 10 billion special credit line and an additional US \$ 11 billion fund. Sino-CEE Financial Holdings Ltd, which is a company established by the China Commercial Bank, will run the second fund. Apart from the financial investment in their countries, CEE leaders consider another benefit that the 16+1 forum is supposed to offer them; that is the increase of their exports to China. This is particularly important for them because of the big trade deficit their countries traditionally have with China. The Chinese Prime Minister Li Keqiang mentioned in 2014 that Sino-CEEC cooperation has contributed to an increase of CEEC exports to China and to the potential of easing the trade imbalances between the two parts through two-way trade between China and CEEC. (Pepermans, 2018)

However, according to Pepermans (2018) the Belt and Road Initiative is a tool for China to increase its economic and political influence in Asia, Africa and Europe where it is extended. For example, he mentions the view that Chinese could gain a pro-China lobby in Brussels, the seat of the European Union, through the 11 EU member-states that also participate in the 16+1 forum.

More analytically, in terms of economic influence, even though in the first years of the 16+1 forum the CEEC exports to China increased, in 2015 they fell to a lower level than the years prior to this cooperation. China's exports to CEEC also decreased in 2015 but in a much lower proportion. In fact, the CEEC trade deficit with China was broadened. This deterioration for the CEEC can be caused due to "the economic slowdown in China" (189) and the unfair treatment that the foreign companies seem to face in relation to the domestic ones in China. For example, a European trader has blamed China for imposing trade barriers after gaining his know-how on producing his horticultural products. Apart from the exports, another sector of economic diplomacy that China exploits in order to achieve economic influence in the Central and Eastern European countries is the contracts on big infrastructure projects. In particular, it is supposed that in order for both parts (China and CEEC) to gain profits from their collaboration, the distribution of the assignments should be distributed fairly among the partners. However, it seems that the Chinese companies take the lion's share. Pepermans (2018: 189-196) analyses five big infrastructure projects that are taking place in the context of 16+1 forum and of the BRI in general. These are the

Belgrade-Budapest high speed railway link, the renovation of the Serbian Kostolac thermal power plant complex, the creation of a 450 MW thermal power plant in Bosnia & Herzegovina, the Bar-Boljari Highway in Montenegro and the Pupin Bridge over the Danube River in Serbia. The common element in all these five projects is that the biggest part of the funding comes from the Chinese Eximbank which covers around the 85% of the cost for every project. The rest 15% is covered by the country in which the project is realized or is going to be realized. This 85% translates into loans that Serbia, Hungary, Bosnia & Herzegovina and Montenegro take from Eximbank. This economic dependence on Chinese Eximbank can trigger fiscal problems for the CEE countries. For example, in 2014 Montenegro signed a 800 million euros loan with the Chinese Eximbank for the construction of a highway that connects the Montenegrin port of Bar with Serbia. Both the International Monetary Fund and some European institutions have warned of the size of the loan which puts Montenegro's financial stability in danger. As a consequence, Montenegro's credit rating was degraded to B1 which puts the country in a "highly speculative" condition (194).

There is one more aspect that stems from the economic diplomacy that China follows through the contracts it gains in the Central and Eastern Europe. It is the employment situation that is created. These big infrastructure projects include contracts with big companies that create job positions. In the context of win-win cooperation that 16+1 forum and the Belt and Road Initiative are supposed to create, construction companies from all partner countries should be included. However, in reality Chinese consortiums take over these projects under unclear terms. For example, for the construction of Bar-Boljari Highway, the Chinese consortium consisted of China Communications Construction Company and the China Road and Bridge Corporation. The companies that are the contractors bring their own workers and machinery for the realization of the projects. Hence, even though local workforce could be deployed and have the unemployment in CEEC tackled, this is not the case. Moreover, it should be mentioned that the companies that are part of these consortiums are usually state-owned. Eximbank that was mentioned before is also state-owned. This means that both the funding – in terms of loans, not grants – and the construction of these mega-projects are in direct control of the Chinese government who can make its plans and moves on how to influence the countries that are part of the Belt and Road Initiative.

c. Belt and Road Initiative: the Maritime Silk Road and the Malacca Dilemma

Apart from the fact that the BRI contributes to China's expansionary role in Asia, Europe and Africa, it also serves energy security issues. It is an attempt to secure China's energy independence since this is at risk having only one basic maritime route for energy supplies transport. The traditional Maritime Silk Road connects China with ports in the Indian Ocean, east Africa and the Mediterranean. This route is vulnerable to the geography of the regions it crosses, especially to the choke point of the Strait of Malacca. In particular, the biggest part of the energy supplies of China is imported through the Strait of Malacca. The Strait of Malacca is "an 890 km wide narrow lane with an average depth of 25 metres, situated between Malaysia and (the) Indonesian island of Sumatra" (Bhatnagar, 2018:3). If the Strait of Malacca is blocked, the ships will not be able to pass and this will provoke energy insecurity and economic instability. The situation becomes worse for the Chinese because of the presence of US ships in the South China Sea. The Malacca Dilemma arises because there are no alternative trade routes. The only two options are the Sunda Strait and the Lombok Strait. However, these are not practical solutions. The Sunda Strait is shallower and narrower than the Malacca Strait making it difficult for the very large crude carriers (VLCCs) to pass and the shipment would be delayed by at least 1.5 days. The Lombok Strait is not practical in time terms since the shipment would be delayed by almost 3.5 days even though this strait is deeper and wider than the Malacca Strait.

Instead of these risky options, the Belt and Road Initiative offers projects that could help in diversifying China's routes for the transportation of resources, sources of energy and import countries. Some of these projects are the Thai Kra Canal, the China-Myanmar Oil pipeline and the China-Pakistan Economic Corridor. These projects can serve the purpose of importing oil and natural gas through different routes from the Malacca Strait. China depends on the Malacca Strait to such an extent that over 80% of China's oil imports by sea pass through this strait. The increase in energy needs makes this diversification crucial.

d. Conclusions

One basic aspect that depicts the economic and trade diplomacy of China nowadays is the Belt and Road Initiative. President Xi Jinping launched the 16+1 forum in the context of the Belt and Road Initiative. It is the cooperation on infrastructure projects between China and 16 countries of the Central and Eastern Europe, eleven of which are members of the European Union. China's argument is that the 16+1 forum promotes cooperation, inclusiveness, trade exchange and mutual benefit. The leaders of the 16 Central and Eastern European countries argue that their participation in this forum contributes to infrastructure investments that the European Union cannot ensure, elimination of their trade deficit with China and job employment. However, many of these projects have not been completed or have not even started, the trade deficit of these countries has broadened in favour of China and most of the workers come from China and are not locals. Moreover, the fiscal stability of these countries is at risk since the Chinese investments are in the form of loans from state-owned enterprises and the state-owned Exim Bank. Another benefit of the Belt and Road Initiative in favour of China is that it contributes to the independence from the Strait of Malacca, which is the traditional Maritime Silk Road, and the diversification of its energy resources.

5. Economic and Trade Diplomacy of the European Union (E.U.)

a. Introduction

In this part of my thesis I will examine the economic and trade diplomacy of the European Union whose history is much more recent than that of the United States of America and which follows a different path from China, since it has undergone many internal diplomatic processes in order to reach its contemporary level of worldwide engagement especially in the economic sector. Despite all the internal processes, it is considered as a prominent worldwide economic power whose trade in goods consists 14% of the global trade in goods (Eurostat, 2022).

b. Historical Background

European Union may be one of the most characteristic examples of applying economic and trade diplomacy. The promotion of peace and stability in the European

continent which had already been bloodstained in two World Wars within thirty years was achieved by the military aid of NATO and by the economic help and development that the Marshall Plan offered. For the purposes of this research, only Marshall Plan will be discussed. The avoidance of one more French-German War, the interception of the dissemination of communism in Europe, stability and peace could be accomplished through the economic development that the USA proposed to fund with the Marshall Plan. Europeans who would receive economic support should cooperate in terms of an organization that would coordinate the distribution of the money they would receive. This organization was the Organisation for European Economic Co-operation (OEEC) which was established in 1948 and should lead to European economic integration (Baldwin & Wyplosz, 2017). Thus, in 1949 quantitative limitations in trade between member-states of OEEC were abolished. This was the initial impulse of the European economic integration.

It is noteworthy that OEEC continued to exist even after its mission concerning the Marshall Plan was achieved. In particular, in 1960 Canada and the US signed along the European member-states of the OEEC the Convention of the Organisation for Economic Co-operation and Development (OECD). Nowadays the OECD has 38 member states (OECD, 2021). OECD was created with the mission of expanding its work globally. Economic stability and development and trade expansion have been its core aims. In terms of diplomacy, the OECD is a characteristic example of the role of multilateral diplomacy nowadays. It works in cooperation with the governments of its member-states and sometimes non-member-states and with stakeholders so that it can provide them with its expert knowledge, data and analysis on economic and trade issues. Moreover, it collaborates with international fora such as G7, G8, the Asia-Pacific Economic Cooperation (APEC) and the United Nations and takes part in the processes of global governance decisions. For example, it is a Permanent Observer to the General Assembly and the Economic and Social Council (ECOSOC) of the United Nations. (OECD, 2020)

Getting back to the early days of the European integration, the imprint of economic and trade diplomacy is clear in the different way that European economic integration was perceived by the European states during two close but different time periods: during the interwar period and during the first two decades after World War II. On the one hand, during the interwar period the states were isolated and economic

cooperation was not desired since the competition between them was prominent. This led to the Great Depression of 1929. The negative ambiance particularly against Germany after World War I, the rise of dictatorial and authoritarian regimes and the economic recession provoked suspicion among the European people in the 1920s and 1930s. Nationalism did not contribute to the cooperation in many levels, among which the economic one. On the contrary, there were conflicting interests and expectations even within the context of the League of Nations (Nugent, 2012: 41). On the other hand, after World War II, the creation of European and international organizations led to trade liberalization between the states and to economic interdependence that created a cooperative climate which would contribute to economic development of Europe and to political stability.

The accomplishment of political goals through economic means is obvious during the whole trajectory leading to the establishment of the European Union. Even though the Treaty establishing the European Coal and Steel Community, which is the predecessor of the European Union, was signed in 1951 with the aim of avoiding one more World War that would afflict the European continent, in reality it was created and applied through economic diplomatic tools. The delegation of responsibilities to the first supranational authority of Europe regarding “the pricing, the trading and the production” of coal and steel was realized with Schuman’s contribution (Baldwin & Wyplosz, 2017: 14). In the beginning, the countries that participated were France and Germany, the conflict between which should be avoided, Belgium, Luxembourg, the Netherlands and Italy. Consequently, the inspirers and visionaries of European integration, such as Schuman and Monnet, believed that the supranational union of the European states would be enabled by the foundation of European institutions that would use economic tools among others.

c. Customs Union, Single Market, Economic and Monetary Union

The processes that the EU follows in its negotiations with third countries can be better understood if the historical background of the economic evolution inside EU is taken into account. EU has gone through the different stages that a group of countries follows in order to create an economic and monetary union. As Maravegias and Katsikas (2016: 153) claim, these economic “levels” are free trade zone, then customs union, then single market, then economic and monetary union, then full economic

integration. In the free trade zone there are some or no tariffs for products between the countries that participate at this level of economic integration. A more advanced form of economic integration is that of the customs union. In the customs union there are no barriers (tariffs, taxes, quotas) in the trade exchanges between the countries that participate and there is a common customs tariff for the countries that do not participate in this customs union. The customs union began to operate in 1968 in the then European Economic Community (EEC) (156). The no-barriers policy and the common customs tariff contributed to the increase of competition, productivity and investments in the union.

The move from the customs union to the single market was not easy because of the weaknesses of the customs union and took several years. First of all, there were no quotas in the customs union. As a result, there were national quotas. Secondly, there was difficulty in the harmonization of the regulatory provisions of the different states. The coordination by the Commission took time and unanimity in the Council was necessary to complete this harmonization. These were difficult to achieve. Moreover, there was no progress in issues that should have been solved, such as the same policy adopted by all the countries in terms of transfer and the elimination of protectionism in the form of state aid and subsidies. Finally, a crucial factor that prevented the EEC from moving to the single market was the negative financial environment of the 1970s. In particular, this decade was marked by the end of the Bretton Woods system in 1971 and the two oil crises of 1973 and 1979. The floating exchange rates, the unemployment, the inflation prevented the liberalization of the trade and led to protectionism. However, this kind of protectionism took a different form from that of the interwar period since there was the customs union in the European level and the GATT in the international level. Thus, non-tariff trade barriers were applied. For example, regulatory interventions were used to limit imports from third countries and state aid contributed to support the affected sectors. (161)

The situation changed in the beginning of the 1980s. Two French political personalities contributed to this shift and to the restart of the single market discussion. The French President François Mitterrand advocated for a new liberalized market in Europe in the context of economic globalization that was also promoted by US President Ronald Reagan and British Prime Minister Margaret Thatcher. Jacques Delors from his position as President of the European Commission played an

important role in the promotion and accomplishment of the single market. He became President of the Commission on January 1985. On June 1985 the Commission presented the White Paper to the European Council. The White Paper was actually the measures to achieve the single market. On February 1986, the Single European Act was signed. It defined that the single market should be completed by the 31st December 1992 and that it would allow the free movement of goods, services, persons and capital. The single market actually began its operation on the 1st January 1993. The time deadline was achieved. In the internal negotiations, two new processes played an important role. On the one hand, there is the principle of mutual recognition that replaced the previous need for harmonization of the different regulations of the member states. The principle of mutual recognition is based on the Cassis de Dijon case according to which a product produced in one member-state should be accepted in the other member-states as well. In other words, the regulatory principles of one member-state are considered equivalent with the regulatory principles of the other member-states. On the other hand, there is the qualified majority that the Council should reach to adopt a proposal by the Commission. The qualified majority in combination with the principle of mutual recognition contributed to the facilitation of decision-making and the adoption of legislative acts that promoted trade and competition. (163-165)

The next big step in the internal processes that contributed to the European integration was the move from a single market to an economic and monetary union. For some, this move was the logical continuation of the single market. Having a single currency was not a fast-track process but took several steps. In particular, the plan of the European Commission and Jacques Delors who was the President included three stages. The first stage kicked off on 1st July 1990 and included the completion of the single market and the completion of the free movement of capital. The second stage kicked off on 1st January 1994 and included the establishment of the European Monetary Institute, which is the predecessor of the European Central Bank, and the convergence of the economic policies of the member states in order to enter the final stage. This final stage included the final exchange rates of the member states, the new currency which would be the same for the member states and the delegation of the monetary policy by the European Central Bank. The European Central Bank was established on June 1998. Eleven member states of the European Union, which was

established with the Treaty of Maastricht on 1992, adopted the new currency called Euro on 1st January 1999. Progressively more and more member states adopted the new currency. A member state should fulfill some criteria in order to enter the Economic and Monetary Union and adopt the Euro. (Maravegias and Katsikas, 2016: 169-171)

It is noteworthy that these critical advancements in the economic diplomacy of the European Union are institutionally well-established. Institutions are mainly examined by political economy scholars but are important to be understood by diplomacy scholars as well who examine the processes. The European Central Bank is the institution responsible for the monetary policy in the European Union. Its mission is the price stability. It is politically independent. This independence is based on the German monetary policy. The Stability and Growth Pact aimed at a fiscal balance. Even though this Pact was a result of Germany's pressure to ensure budgetary discipline, it was not followed by Germany and France in 2003. These countries did not even follow the Commission's recommendations for compliance. The Eurogroup is another institutionalized form of economic diplomacy in the European Union. In fact, it is the Council of the Ministers of Finance of the member-states who have adopted the single currency, namely the Euro. It is the political answer to the strict financial independence of the European Central Bank. (176, 178)

d. Conclusions

The European Union could be considered a process in the making. This is depicted in the trajectory it has followed in the economic and trade diplomatic sphere since its beginning as European Coal and Steel Community in 1951. The concept behind the creation of the European Union was that economic cooperation, development, stability and integration would prevent competition between European countries, nationalist movements like those that had led to dictatorial regimes in the European continent in the first half of the 20th century, isolation and poverty. The US economic aid through the Marshall Plan after World War II was implemented through the Organisation for European Economic Co-operation, which is the predecessor of the Organisation for Economic Co-operation and Development. In terms of the processes that have taken place so that the European Union can implement its policies and reinforce its position worldwide, these are the evolution from a free trade zone to a

customs union to a single market to an economic and monetary union. These phases took several years and in many cases there were obstacles, such as the end of the Bretton Woods system in 1971, the oil crises of 1973 and 1979 and the difficulty in the harmonization of the different legislature of the countries.

6. Case Study: Economic and Trade Diplomacy of Greece

a. Introduction

The European Union has 27 member states. Greece will be deployed as an example of member state of the European Union, since it regulated by law economic and trade diplomacy recently. The main source of information in this part is the interview I was given by the Secretary General for International Economic Relations at the Ministry of Foreign Affairs of Greece and Chairman of the Board of Enterprise Greece, Mr Ioannis Smyrlis. The interview was given in August 26, 2022.

b. Analysis

Being a member state of a supranational union of states, namely European Union, Greece cannot act exclusively on its own in a bilateral or multilateral negotiation for a trade agreement. In other words, it must follow specific principles that regulate the single market and be in accordance with the EU rules (trade diplomacy). However, as an independent state, each government and the companies can act in order to accomplish commercial objectives that foster its national interests. The exports promotion, the attraction of foreign direct investment and the tourism promotion contribute to this direction (commercial diplomacy). These views are also supported by the Secretary General for International Economic Relations at the Ministry of Foreign Affairs of Greece, Mr Ioannis Smyrlis.

The interview with Mr. Smyrlis focused on the economic diplomacy of Greece. What had struck my attention and was a trigger for the interview was the fact that Greece regulated economic and trade diplomacy in 2021 with the law 4781/2021. The Secretary General emphasized the fact that economic diplomacy is the modern way of foreign policy and has been performed in the developed countries for the last decades. The importance of the regulation by law lies in the benefits of economic diplomacy itself. When the country performs economic diplomacy, it creates strong relations

with other countries that affect the bilateral political relations of two countries, because strong economic relations mean strong ties that affect the society and cannot be disturbed easily. This law initiated the creation of a new Organisation of the Ministry of Foreign Affairs whose foreign policy coordinates and contributes to the real economy, helps the citizens and serves the foreign objectives, which according to the Secretary General is the right position of the country in the world.

The fact that economic diplomacy affects and is affected by political relations and decisions has been a central theme in the interview. One of the most recent moves of Greek economic diplomacy manifests this. This is the opening of the Consulate General in Benghazi on July 2021. On 27 November 2019 a Memorandum of Understanding was signed between the Government of the Republic of Turkey and the Government of National Accord – State of Libya on the delimitation of the maritime jurisdiction areas in the Mediterranean. This memorandum was doubted by the international community and especially by neighbour-third countries. It did not comply with International Law and the Law of Sea and put under doubt the jurisdiction of neighbour countries such as Greece and Cyprus on energy issues. On 10 March 2021 the Government of National Unity was established in Libya. As Mr Smyrlis highlights, Greece was the first to open an Embassy in Tripoli (on April 2021) and the first to open a Consulate General in Benghazi (on July 2021). Moreover, according to the Secretary General, Greece was the first to send vaccines against COVID-19 to Libya. This move constitutes development aid which is part of economic diplomacy. These actions taken by the economic diplomacy of Greece contributed to the strengthening of the relations between Greece and Libya and the strengthening of the political influence the Greek government could have in international level. Thus, the opening of the Consulate General in Benghazi and the development aid in the form of vaccines demonstrate how economic diplomacy can be used in terms of politics.

There are two Organisations that operate under and are supervised by the General Secretariat for International Economic Relations. These are Enterprise Greece and Export Credit Greece. As Mr Smyrlis mentions, they are part of the toolbox of the Greek economic diplomacy. They perform a different role.

Enterprise Greece has three pillars. The first pillar is investments and the attraction of investments. The second pillar is foreign trade and exports promotion. The third pillar is the brand name of Greece and the promotion campaigns for the country. In terms of the investments, there are the strategic investments which are investments over 75 million Euros and as the Secretary General mentions have four privileges. The first one is the fast-track procedures, through which someone who wants to invest a lot of money in the country is served by priority in the central structure of the country and not by the local authorities. For example, a strategic investor would take an environmental license from the Ministry of the Environment and Energy instead of a local authority. The second privilege is the financial incentives and includes tax exemptions and subsidies. The third privilege is the rules' exemptions that happen in favour of a strategic investment concerning where and how much someone can build. The fourth privilege is the advantages that this kind of investment offers in the region that it takes place, such as the job offers, the creation of a hub along with other smaller companies in the region, the local development in general. A strategic investment that happened in Greece lately is that of Microsoft. It is an investment with data centers that cost 1 billion Euros and brought about another strategic investment, that of the connection of Greece with Saudi Arabia with data cable. These two investments render Greece a data hub which can attract other similar investments that will create an ecosystem.

Export Credit Greece is the second organization supervised by the General Secretariat for International Economic Relations of the Ministry of Foreign Affairs in Greece. It helps the producer or the seller or the investor when s/he has decided to make a transaction, either this is an export or an investment or participation of a Greek company in a big project abroad. Export Credit Greece gives insurance that the invoice will be paid or that the prepayment is safe and can give some guarantees. This has two advantages. First, the Greek exporters are safe that they will get paid, since their invoices are protected by getting credit insurance. The risk of losing money for them is decreased because they are guaranteed of their investment. Second, Export Credit Greece can know and have the information about sectors and opportunities that are created in other countries. This knowledge comes from export credit networks to which a single producer or exporter cannot have access on her/his own. On the contrary, Export Credit Greece has this access and can guide Greek exporters.

Guidance is the only thing that Enterprise Greece and Export Credit Greece have in common. But a Greek producer or exporter should first get advice from Enterprise Greece in order to see with whom s/he should cooperate and then go to Export Credit Greece and have her/his invoices insured. If a partner abroad is not safe to work with and this is something obvious, the Greek Embassy can inform as well. But Export Credit Greece can get more information and information that are not widely known, such as that the partner abroad did not pay her/his invoices a year ago, through export credit networks. As Mr Smyrlis puts it, Enterprise Greece operates in a “commercial” manner, while Export Credit Greece operates in a “technical” manner. In other words, we could say that the processes that are followed in the context of these two Organisations constitute economic diplomacy in everyday practice.

A new element in the scheduling and performance of economic diplomacy of Greece is the National Strategy for Extroversion. It is new for the Greek Ministry of Foreign Affairs. National Strategy for Extroversion 2021 was the first one and National Strategy for Extroversion 2022 is the second one. The Deputy Minister for Economic Diplomacy and Openness Mr Fragkogiannis has propounded that the National Strategy for Extroversion aims at “increasing foreign direct investment at 4% of the GDP until 2023, increasing exports at 48% of the GDP until 2023 and further coordinating the actions of public and private agencies” (National Strategy for Extroversion 2021). These can be realized through specific and measurable actions. The National Strategy for Extroversion includes actions that are taken by various agencies, such as the Ministry of Foreign Affairs or the Ministry of Tourism or Enterprise Greece and other public and private agencies. In the National Strategy for Extroversion 2021 there were 458 actions while in the National Strategy for Extroversion 2022 there were 670 actions. These actions are divided according to their subject. For example, there are actions that refer to energy, tourism, food. Moreover, they are divided according to the country they target. In particular, in 2021 there were 458 actions that aimed at 38 foreign countries and markets while in 2022 there were 670 actions that targeted 47 foreign countries and markets. The Secretary General highlighted during the interview that through this National Strategy the countries and sectors that are targeted are agreed by all the actors but in fact it is a dynamic process and it is adapted depending on the situation. For example, in 2021, 458 actions had been scheduled, from which the 350 were realized because of

COVID. The others did not take place but were replaced by other actions such as B2B meetings or online conferences. In 2022, in the sector of energy, the invasion of Russia in Ukraine led to European Commission's sanctions. When the National Strategy for Extroversion 2022 was written, these sanctions had not been decided since the war had not started yet. These sanctions are not clearly defined as they are written in European Union's announcement. The role of the National Strategy is to coordinate the Greek enterprises so that they do not do something illegal and they can do business. Thus, the National Strategy is something dynamic in terms of the processes that are followed.

An active move of extroversion was taken by Greece during 2022 with its confident presence in Expo 2020 Dubai. The importance of its presence is highlighted by the fact that the Greek pavilion was visited by 840.000 people from around the world. Greece showed important aspects of the Greek economy. The nine pillars that Greece promoted were energy, agri-food, shipping, tourism, technology, culture, human capital, industry and health (Expo 2020, 2022). What seems extremely important for the success of Greece's presence in this Expo is that 192 countries participated. Thus, the country had the chance to communicate its structure and success to people from the whole world. It can be viewed as an example of networking that characterizes the 21st century diplomacy. The participants came from different backgrounds and included enterprises, agencies, government officials and civil society who blended in together. The clue in these meetings is that someone can conceive where the planet tends to move for the next years. Even though commercial meetings take place, it is not a commercial exhibition. For Greece, Mr Smyrlis was appointed as a General Commissioner and the implementing agency was Enterprise Greece. Everything was organized and supervised by the Ministry of Foreign Affairs, by the Embassy of Greece in Abu Dhabi and by the commercial office in Dubai.

c. Conclusions

Greece is used as an example of a member state of the European Union. The interesting fact about Greece is that it has regulated economic diplomacy recently with the law 4781/2021. I took an interview on the subject from the Secretary General for International Economic Relations at the Ministry of Foreign Affairs of Greece Mr Ioannis Smyrlis in August 26, 2022. The opening of the Consulate General in

Benghazi on July 2021 is a characteristic example of how economic diplomacy contributes to politics. There are two organizations which are under the supervision of the Ministry of Foreign Affairs; Enterprise Greece and Export Credit Greece. An exporter or investor should first contact with Enterprise Greece and then with Export Credit Greece. Enterprise Greece has a commercial role and Export Credit Greece has a technical role. A new element in the Greek Ministry of Foreign Affairs which contributes to the economic diplomacy is the National Strategy for Extroversion. The National Strategy for Extroversion 2021 included 458 actions in 38 foreign countries and markets, while the National Strategy for extroversion 2022 included 670 actions in 47 foreign countries and markets. The actions apply in different sectors, such as energy and tourism. However, there may be changes in the actions, since there can be factors, such as the COVID-19 pandemic, that did not exist while writing down the National Strategy for Extroversion. A confident move of extroversion for Greece and its economic diplomacy was the presence in Expo 2020 Dubai where 192 countries participated. 840.000 visitors attended the Greek pavilion where nine different pillars of the Greek economy were promoted; energy, agri-food, shipping, tourism, technology, culture, human capital, industry and health.

7. Comparison

a. Introduction

In this section I will try to figure out the importance of the issue of economic and trade diplomacy in the United States of America, in China and in the European Union. This will be made clear through a comparison that I will make. The comparison is based on two factors. The first one is the role that the economic and trade diplomacy played in the creation and the inauguration of these three states (USA, China) and total of states (European Union). The second factor is the actors who define and navigate the economic and trade diplomacy nowadays in these three places. After this comparison, it will be clear how much this kind of diplomacy has contributed to the evolution of the USA into a superpower, of China into a rapidly developing economy that seems to disturb the worldwide power correlation and of European Union into one of the biggest economies and a strong trade player worldwide.

b. Comparison: Two Factors

The first factor that will be used is the role that economic and trade diplomacy played in creating these states (USA, China) and group of states (EU). The United States were based to a large extent to the expansion of their trade to ensure how important the access to the Mississippi River and to the ports at the Southeast, such as the port of New Orleans, were. The leaders of the newly established state rendered the tense geopolitical situation in Europe beneficial in their part. The conflict between the British and the French and the good relations between the French and the Spanish resulted in the Pickney Treaty of 1795 which was a template for commercial agreements with France and Spain. The change of interests of French in terms of their acquisitions in New England after the Haiti Revolution led to the Louisiana Purchase of 1803 through which the US doubled its territory and gained full access to the Mississippi River and the port of New Orleans. Thus, economic and trade diplomacy played a definitive role in the creation of the United States of America.

Instead, economic and trade diplomacy is not the crucial factor behind the creation of the People's Republic of China (PRC). PRC was established by Mao Zedong in 1949 not in search of economic and trade prosperity but after a perennial Civil War. The Chinese Civil War was a civil war between the Nationalists who led the government of the Republic of China (ROC) and the Communists. After the establishment of PRC by Mao Zedong the Nationalists fled to Taiwan. Deng Xiaoping was the first to bring economic reforms during the 1980s. However, the Chinese military crackdown on demonstrations in Tiananmen Square in Beijing in 1989 resulted in economic sanctions against China, leaving the country behind its economic integration with the rest of the world. The Southern Tour of Deng Xiaoping in 1992 triggered the economic reforms that contributed to China's access to world markets. In 2001 China entered the World Trade Organisation, giving an extra push to China's economic and trade globalization. The rebirth of the Silk Road by the incumbent President Xi Jinping through the Belt and Road Initiative is additional proof that China has turned to economic and trade diplomacy only recently and not since the beginning of its existence as PRC.

European Union is a different case and exemplifies how economic and trade diplomacy can be used to achieve political aims. The avoidance of one more French-German War after the destructive consequences of the two World Wars in the first

half of the 20th century and the prevalence of peace and stability in the European continent could be achieved through the economic support that the USA funded through the Marshall Plan. The administration of the American aid was realized by the Organisation for European Economic Cooperation which was established in 1948 and is the predecessor of the Organisation for Economic Cooperation and Development. Nowadays the European Union is a total of 27 member states. However, it started with only six member states (France, Germany, Italy, Belgium, Luxembourg and the Netherlands). The initial treaty establishing the European Coal and Steel Community, which can be seen as the predecessor of the European Union, in 1951 regarded the pricing, the trading and the production of coal and steel. This would operate as a basic factor behind the European economic integration. Even in the later progress in the internal processes of the European Union it is obvious how economic diplomacy contributes to the political realization of the European Union. According to Maravegias and Katsikas (2016: 175), there are political reasons for the creation of the Economic and Monetary Union. First of all, the member states wanted to become independent in the field of monetary policy and not be dependent on the USA. Secondly, they wanted to ensure that Germany would not split again but be unified. Thirdly, the fact that so many countries, eleven in particular, adopted the single currency right from the beginning without following all the criteria for adopting the Euro shows that there is political motivation as well.

The actors of the economic and trade diplomacy in the USA, in China and in the European Union are the second factor that I will take into account to examine the content, the role and the contribution of this kind of diplomacy in these parts of the world.

In USA the Congress is the legislative branch. The Congress is bicameral and consists of the Senate and the House of Representatives. The Congress is in charge of enacting legislation. This makes it a basic player in forming policies. However, the Senators and the Representatives do not seem to be the most important actors in economic and trade diplomacy. For example, in terms of finance, the Chair of the Board of Governors of the Federal Reserve System is in charge of international financial and economic initiatives. In terms of trade, the President plays the crucial role. Until 1934 it was common practice that the decisions regarding trade and trade agreements were negotiated in the Congress. This let special interest groups to attempt to influence the

decisions made in Congress in favour of their sectors. As a result, an increase in protectionist measures was observed. In 1934, the Congress passed the negotiating jurisdiction for reciprocal trade agreements with other countries to the US President through the Reciprocal Trade Agreements Act. This contributed to the reduction of tariff levels and the promotion of trade liberalization and cooperation.

China replaced the US as the first trade power in 2013 (Capling & Trommer, 2018: 231). Some characteristics of the Chinese system that contributed to this are the great number of employees who offer cheap labour and the exports in the manufacturing sector (Heywood, 2012: 170). However, a basic source of critique against China and its effort to engage in world markets and the global economy is that it promotes its interests through the state capitalism system (169). The planning of its strategy is centrally performed by the Communist Party which can thus be considered the basic actor of economic and trade diplomacy in PRC. The implementation of the strategy is realized by state-owned enterprises and banks. For example, the Eximbank is a state-owned Chinese bank that funds projects for the 16+1 forum that was analysed above in loans. This renders the fiscal position of these Central and Eastern European countries in jeopardy. The contradiction between the economic model and the political system is the basic problem that the Chinese state capitalism includes (169, 399). On the one hand, there is the open market economy with its neoliberal characteristics. On the other hand, the political system is monopolised by the Chinese Communist Party which has full control over everything rendering it an authoritarian regime. The unfair trade practices such as the state aid delivered by the Communist Party to Chinese businesses are another source of critique against China and its effort to engage in world economy. These unfair trade practices were one of the reasons for President Trump to start the trade war with China as it was analysed above.

The EU economic diplomacy is reflected in the negotiating aims, the negotiating processes and the negotiating effectiveness of the EU institutions, such as the European Commission, the Council, the European Council and the European Parliament. The ordinary legislative procedure (codecision) depicts the role of each institution in adopting legislative acts. However, the most active role in terms of economic and especially trade diplomacy lies in the European Commission (Heywood, 2013: 805). The European Commission is in charge of the trade relationships between the European Union and third countries or group of countries.

Moreover, it is responsible for the negotiations in terms of the General Agreement on Tariffs and Trade and of the World Trade Organisation. The crucial role that the European Commission plays in trade diplomacy is depicted in the fact that there are institutionalized positions in it regarding trade, such as the EU Trade Commissioner and the Directorate General for Trade (DG Trade). The Trade Policy Committee (TPC) counsels the Commission on the trade agreements that the EU negotiates and on the issue of common commercial policy (Woolcock, 2012: 54). It also prepares the Council meetings on trade issues even though this is the responsibility of the Permanent Representatives Committee II, the so called COREPER II, when it comes on other issues. This differentiation takes place since the TPC specializes in the trade issues (55). It is noteworthy that while there are an EU Trade Commissioner and the DG Trade in the context of the European Commission, there is no EU council of trade ministers. Instead, the Foreign Affairs Council takes decisions on trade.

c. Conclusions

In this section, I took into account two factors that depict the role and importance of economic and trade diplomacy in the USA, in China and in the European Union. The first factor examines the role that the economic and trade diplomacy played in the beginning of these states (USA, China) and total of states (European Union). USA made good use of economic and trade negotiation and doubled its territory through the Louisiana Purchase in 1803. China did not make use of economic and trade diplomacy when it was inaugurated by Mao Zedong in 1949. EU used economic and trade diplomacy in order to achieve its political aims, especially the prevalence of peace in the European continent. The second factor examines the actors of economic and trade diplomacy. In USA, the Executive Branch of the Government, namely the President, plays the key role in trade diplomacy. The Office of the United States Trade Representative is included in the Executive Office of the President. In China, the Communist Party monopolises the economic and trade diplomacy, along with all other policies, through state-owned enterprises and state aid. However, the contradiction between the economic liberalism and the lack of political liberalism may cause pressure in the Communist Party, since the economic prosperity that is dispersed can create the need for more political liberalization. In the European Union, the Commission bears the responsibility of trade negotiations and trade agreements.

The Trade Policy Committee assists in this. In short, nowadays economic and trade diplomacy is performed by the highest-level actors in the political scene of the USA, China and the European Union, making it clear that it plays an important role for them.

8. Conclusion

To conclude, in my thesis I attempted to study and research the content, the role and the contribution of the economic and trade diplomacy in international relations, in foreign policy and in international political economy in general and in the United States of America, in China and in the European Union in particular. All of them (USA, China, EU) play a leading role in contemporary economy and trade. The purpose was to find out the importance of economic and trade diplomacy in these three different parts of the world. I have come to my conclusion by taking into account two factors. The first factor is the role that economic and trade diplomacy played in the establishment of these two states (USA, China) and the total of states (European Union). Economic and trade diplomacy was crucial in the establishment and expansion of the US territory. On the contrary, there were political motivations behind the establishment of the People's Republic of China and the fleeing of the Nationalist forces to Taiwan. In the case of the European Union, the economic diplomacy served the political intention of integrating the European states economically so that another World War and political disputes could be avoided. The second factor that I considered is the actors of the economic and trade diplomacy in the USA, in China and in the European Union. In the USA, the Congress which is the legislative branch of the Federal Government has the authority to enact legislation. In terms of trade, the President is an important actor since the Reciprocal Trade Agreements Act was introduced in 1934. In China, the Communist Party is the basic actor of economic and trade diplomacy. In the European Union, the European Commission brings the legislative initiative and is responsible for the negotiations on trade with other countries or regional units and in the context of the World Trade Organisation. Greece exemplifies the role that economic and trade diplomacy can play in a member state of the European Union. Compliance with the EU law and the benefits that the EU offers make Greece more competitive and an active member state. My conclusion is that economic and trade diplomacy have contributed to the

evolution of the USA into a superpower, of China into a rapidly developing economy that seems to disturb the worldwide power correlation and of the European Union into one of the biggest economies and a strong trade player worldwide.

APPENDIX

INTERVIEW WITH THE SECRETARY GENERAL FOR INTERNATIONAL ECONOMIC RELATIONS AT THE MINISTRY OF FOREIGN AFFAIRS OF GREECE AND CHAIRMAN OF THE BOARD OF ENTERPRISE GREECE, MR. IOANNIS SMYRLIS (IN THE PRESENCE OF MS. VANESSA SOULANDROY, SECRETARY FOR ECONOMIC AND COMMERCIAL AFFAIRS) (FRIDAY 26 AUGUST 2022)

1. Economic diplomacy is established for the first time in Greece with the 4781/2021 law of the Ministry of Foreign Affairs. Why is the regulation by law of economic diplomacy important and which is the difference from non-regulation?

Economic diplomacy is the modern way of foreign policy. Through economic diplomacy the country gains strong foundations and strong relations with the other countries around the world which have very significant impact on the bilateral relations with the rest of the world. Thus, the regulation by law of economic diplomacy is very important. It is the modern way of foreign policy because when you have strong economic relations, then you have strong ties that penetrate into society and that are really hard to be disturbed and that influence the political decisions in the end. It is something that has been taking place in the developed countries for the last years, hence we – as a government and as a country - had better be modernized and create a new Organisation of the Ministry of Foreign Affairs. This new Organisation should be able to keep up with the contemporary facts and data and ultimately will be able to boost the brand, footprint and position of the country and to give geostrategic and geopolitical prominence to the location of our birthplace which is very important. Consequently, the non-regulation by law of economic diplomacy would mean that we would keep back, we would lose part of our strength, and ultimately we could not deploy the modern tools of foreign policy in the benefit of the whole society and having the economy, the investments, the exports, the whole financial activity, in the centre. In short, with this Law, with this new Organisation of the Ministry of Foreign Affairs, the foreign policy coordinates and contributes to the real economy and is

much closer to the citizens. At the same time it serves the external objectives which promote the right position of the country in the world.

2. Greece is part of the European Union. How our participation contributes to the performance of economic and trade diplomacy of our country and what problems-obstacles may be created? As a member-state how we make the most of our participation in the European Union in terms of the economic diplomacy?

Greece is an old member of the European Union and we were lucky to have had enlightened politicians who achieved to get Greece into the European Union. When this happened, an ordinary citizen could not think what the influence would be on our lives during these, more than forty, years. Consequently, there are only benefits from our participation in the European Union not only politically and in terms of security, but also commercially and financially. Through EU funding programmes Greece could develop, share expertise and be modernized much more quickly than non-EU members. This is obvious when we wander in our neighbourhoods and when we think of the Balkan States which want to integrate in the European Union. Moreover, there is the privilege of European Union, which has shared competences with the Member States, to negotiate trade agreements worldwide. For example, there is the trade agreement between the European Union and the United States of America, between the European Union and Canada, between the European Union and Australia. Having much stronger influence as one entity, we can gain ground and enter markets much more easily than we would do on our own with the abilities of a small country like Greece. Thus, there is only benefit stemming from us being a member state of the European Union. We should only look at this direction. Ultimately, what we should do in order to serve better the interests of the Greek producers, the Greek exporters and the Greek entrepreneurs is to have correct positions in the European Councils and in all the European Institutions so that products with protected designation of origin, products with protected geographical indications, products characterized by the Greek authenticity are protected in the whole world. And we do this.

3. Greece has economic and trade relations both with the United States of America, a worldwide dominant economy, and with China, a rapidly developing economy with strong trade and investment presence in our

country. Are there specific examples of economic diplomacy, exports promotion and attracting investment that contribute to the enhancement of the bilateral relations between the countries?

Greece has a comprehensive strategy for all the countries in terms of its trade relations: we organize business missions, we attend exhibitions and we face bilaterally per sector the problems that exist with the USA, with China, with each country, so that we can help to remove obstacles and to facilitate the Greek products reach and address these markets. However, these relations pass through the European Union, through the agreements that I mentioned before, and then we specify the parts and sections of the agreements. Through an annual scheduling we can have many actions that we organize as Ministry of Foreign Affairs, as economic diplomacy, in cooperation with our Organisations, Enterprise Greece and Export Credit Greece, not only in the USA and in China but also in many countries. Furthermore, we coordinate the trade actions that the country organizes in the private and in the public sector through this General Secretariat. When the competent Ministries want to organize something, they come to us and we facilitate the procedure, take over the organization, set up whatever is needed in order to make it happen. The same happens with the associations and chambers, such as the Athens Chamber of Commerce and Industry, the Hellenic Federation of Enterprises, the Federation of Industries of Greece, the Greek Exporters Association. In other words, the same happens with the exporters and the entrepreneurs. Therefore, we coordinate in total the trade actions for whatever takes place in the Greek economy either in the public or in the private sector. I refer to organized actions. Of course when a company wants to go somewhere and needs help, we have the Offices of Economic and Commercial Affairs all over the world, which can provide this company with information ad hoc and can create the circumstances in order to make meetings and collaborations happen.

4. Which are the tools of the economic diplomacy of Greece?

There are many tools in the economic diplomacy of Greece. There is not just one tool. And we call them toolbox of the extroversion. There is the economic diplomacy of the country for which the General Secretariat for International Economic Relations is responsible. Under this General Secretariat, Enterprise Greece and Export Credit Greece are supervised and operate. These are the two extrovert organisations we have

that are flexible and we help to make things happen based on terms of the private sector. And of course we have the Offices of Economic and Commercial Affairs around the globe and our Embassies, which are our antennas around the world, which are actually our partners around the world that work for the same structure. In this way we can help either a company that wants to invest in Greece or a Greek company that wants to invest or export or do business in a third country through our network. These are the tools of economic diplomacy. The way this structure is connected, as I mentioned before, with the other Ministries and the other productive enterprises is also important. There is the National Council of Extroversion, which is an advisory body to Enterprise Greece, in which all the important stakeholders participate. It holds a meeting every three months. Through this we can form together our priorities and of course we do our review on how well we performed in relation to all the extroversion actions that are related to Greece.

5. The economic diplomacy affects and is affected by the policy and strategy that the country follows in international level. The opening of the Consul General in Benghazi on July 2021 is an example that reflects this view. Which is the importance of this move in terms of the bilateral economic relations and in terms of the geopolitical situation that had been created in the Mediterranean with the signing of the Memorandum of Understanding between the Government of the Republic of Turkey and the Government of National Accord-State of Libya on Delimitation of the Maritime Jurisdiction Areas in the Mediterranean?

The economic diplomacy is what we call the soft policy. Thus it is a positive agenda with which we can create relations, boost economies and ultimately conform to and serve the national strategy in international level. The Consulate General in Benghazi is such an example. We are the first to open a Consulate in Benghazi. Of course we are also the first to open an Embassy in Tripoli. We are the first to have sent vaccines in Libya. This is part of economic diplomacy because development aid is also part of economic diplomacy. Our actions in terms of economic diplomacy contributed to make the Memorandum between Turkey and Libya be cancelled de facto because Libya understood that it has a partner who is amenable to use funds in aid of them. Moreover, we achieved that our Minister Mr Dendias and the Prime Minister are able to have much bigger political influence by making use of these moves, such as the

Consulate General that you mentioned in your example. This is a good example of how economic diplomacy is deployed in the field of politics.

6. Which is the role of the Embassies, the Consulates General, the Consulates, the Offices of Economic and Commercial Affairs and the Liaison Offices in the performance of the economic and trade diplomacy of the country?

These are our antennas. They are our partners that are located all around the world, provide us with the primary information and are inside these markets, these economies and these countries. Hence they have the real picture. For example, you may think that in one country a specific sector runs smoothly but the Ambassador or the Commercial Attaché may give a piece of information that you would find one month later. In this way, we can protect the Greek entrepreneurs so that they know that when they go to a specific country, the reality that they will deal with is as they expected. This is very significant just for one reason. Because a false move in trade or in investment may destroy the company. But when someone has correct information, s/he knows the risk s/he takes. And this is not paid. If someone wants to have this from private funds, s/he should have a whole department. For example, a producer of apples should have a whole department which will do market research in the home country, will be able to understand in which countries s/he is going to sell, will be able to know that the foreign partners are reliable so that s/he will be paid, will be able to know that the partner-country has stability and thus her/his contracts could be served. Consequently, these antennas are in fact the most important thing that the Ministry of Foreign Affairs has and this is why the Ministry of Foreign Affairs develops the economic diplomacy. Otherwise, this could be performed by the Ministry of Development, the Ministry of Energy, or another productive Ministry. But we have the ease to have all this information and be capable of coordinating in fact the extroversion of the country.

7. Are the Liaison Offices different from the Offices of Economic and Commercial Affairs?

Yes, they are different. The distinction refers to the relation between the two countries. For example, Greece has a Liaison Office in Kosovo where we do not have an Embassy because we have not recognized Kosovo. Thus, it is the first steps of the

relations between the countries until an Embassy is established. You should think of it as levels in the diplomatic relations of the countries.

8. Enterprise Greece SA is one of the supervised agencies of the Ministry of Foreign Affairs and of the General Secretariat for International Economic Relations. How is investment attraction achieved in terms of its operation? What are strategic investments? Could you give us an example of strategic investment?

You refer to investments in your question. However I should mention that Enterprise Greece has three pillars. Enterprise Greece is the tipping point of the structure of economic diplomacy and extroversion. This is where someone who wants to invest in the country or someone who wants to export safely from the country should contact. Hence, one pillar is investments, attracting investments. The second pillar is foreign trade, that is the promotion of exports. The third pillar is the brand name of the country. In other words, Enterprise Greece is responsible for building the promotion campaigns of the country in total.

In terms of the strategic investments that are mentioned in the question, strategic investments are investments that are over 75 million Euros and have several privileges. Fast-track procedures are the first privilege. Thus, when someone wants to invest a lot of money in the country, we provide him with a VIP service which is reflected in priority in all the structures of the country. This means that when the investor should take environmental license, s/he will take it from the Ministry of Environment and Energy, not from a local authority. Thus, the procedure happens in a central level and quickly. Hence, the fast-track procedures are one part. Incentives are another part. Fast-track procedures are an incentive as well, because when someone saves time, s/he saves money. But there are also incentives which are clearly financial and are either tax exemptions or subsidies. Thus, in a big investment depending on the category the investor can gain fast-track procedures, tax exemptions and subsidies. And of course s/he can gain even bigger privileges regarding how much s/he will build and where s/he will build, regarding the rules. There are some deviations, some exemptions that happen for a strategic investment. However, it is not only the financial characteristics that define whether an investment is strategic. It is also what the investment will offer in the region where it takes place. This means that if

someone does a strategic investment, s/he will affect the local economy in total. Thus, we refer to investments that change the regions, investments that create new prospects, investments that create incentives for the people to stay in the regions where the investments take place because they create good working positions and finally they also create a hub around them with other smaller companies that finally come and develop entire regions. An example of strategic investment is Microsoft. The strategic investment of Microsoft with the data centres of 1 billion Euros is what led us to another strategic investment like the connection of Greece with Saudi Arabia with a data cable. These two investments contribute to making Greece a hub data, which means that other similar investments will come to cover and make the ecosystem. Consequently, with one strategic investment such as Microsoft we achieved to generate conditions in order to have a hub created in Greece, that is to create a new ecosystem. This is a strategic investment in practice.

9. Another supervised agency is Export Credit Greece (ECG), that is the former Export Credit Insurance Organisation (ECIO). Which is the difference between the two Organisations and how the newly-created ECG helps the Greek exporters?

First of all, let me clarify something on your question. Enterprise Greece and Export Credit Greece have only one thing in common; they are both under the supervision of the Ministry of Foreign Affairs. Enterprise Greece helps companies create relations, gain useful information, find partners to export (their goods and services) and find investors. ECG comes when the transaction is ready to happen, that is when the export or the investment or the participation of a Greek company in a project abroad is going to happen. ECG will give credit for the invoice through which the product exportation or the prepayment or some warranties will take place. For example, such guarantees are necessary when a Greek constructor will take part in the construction of a dam. This is important because we make the Greek exporters feel secure since otherwise they may never get paid and lose their money. We give the real image in terms of the risk that they take. If the ECG cannot insure an invoice, this means that the risk is very big, the exporter may never get paid and the partner s/he has found may be a deceiver. Thus, this process ensures that a company will not lose money and take a risk because there will not be invoices that will not be paid. Another thing that ECG does is to collect information on sectors and opportunities that are created in other

countries and can guide – this may be the only thing in common with Enterprise Greece – correctly the various Greek export sectors.

10. Thus, a company can first work with Export Credit Greece and then with Enterprise Greece.

No. First with Enterprise Greece. For instance, the company will first find Ms Soulandrou who is in Saudi Arabia and when they make a deal that they will export these products, the company comes to ECG and says: “I want to insure the invoices I have done with Ms Soulandrou before she sends (the products).” If ECG says yes, the company is insured and thus the company does not face any risk. If ECG says no, this means that Ms Soulandrou is not a reliable partner to do exports. Enterprise Greece cannot say this. To put it better, if something is apparent, our partner in the Embassy of Saudi Arabia can say it as well. But there may be something that you cannot learn easily. Since there are specific export credit networks, ECG can find out that the specific company did not pay four invoices the last two years. Thus, the risk for the Greek company is bigger. The way that ECG checks is technical while the way that Enterprise Greece checks is commercial. They do a different job.

11. a. Recently the Ministry of Foreign Affairs presented the National Strategy for Extroversion 2022 which includes 670 actions in 47 countries-targets. One of the pillars of the economy to which the actions refer is energy. Since the issue of energy becomes even more important especially after the invasion of Russia in Ukraine, could you refer to some actions regarding energy in the context of National Strategy for Extroversion 2022 which contribute to the strengthening of economic prosperity, of extroversion and of the positive brand name of Greece?

Do you want me to tell you for the National Strategy for Extroversion in general or only for this?

b. I chose this pillar. If you want, you can refer to the National Strategy for Extroversion, because it is something new that was published for the first time last year and for the second time this year...

The National Strategy for Extroversion is the first plan of this kind that has been created in our country and includes actions of our structure, that is of Enterprise

Greece, ECG, offices of economic and commercial affairs around the world, the productive Ministries, the agencies, the private agencies, the enterprises. So what do we have for the first time? We have a common programme on which we agree that this is a priority and it has to be done. Of course not only 670 actions will be done in one year. But these will certainly happen. Moreover, we agree on something else. In particular, we agree that these 47 countries are a priority. Thus, having discussed with all the agencies and the productive Ministries, we have agreed that these are the countries. Other countries are a priority in terms of investments, others in terms of exports, others in terms of political relations, others in regional level, others are the major countries with which we want to have relations. This is why we see so many countries; 47 countries. Because 47 countries are many in order to have them as a priority. Thus, we separate these actions per sector, per category, or, as you mention in your question, we separate them according to some priorities, such as energy, and according to some basic parts of the Greek economy. We construct the actions together. Therefore, this plan is not ours. We make it for all. This is its difference. It is not only the plan of the Ministry of Foreign Affairs. It is the plan of the General Secretariat which coordinates the actions of all, such as the actions of the Ministry of Tourism.

In terms of energy, the planning for the National Strategy for Extroversion 2022 took place in the end of 2021. This is why I say that these actions will certainly happen and we expect to have more actions planned and done. The war started on February 2022. Thus, we had to readjust our goals, because new conditions were created. We had to discuss this with both the Greek companies and the competent Ministries in order to see which our priorities will be. Our role in terms of energy is a little bit complicated, because the energy problem appears in all the Greek companies in fact. Thus, there are companies that face price increase in energy. We already have a deal with United Arab Emirates in order to help us with energy. On Monday the Prime Minister was in Qatar in order to help us with energy. We organized a forum last month where Saudi Arabians came and energy was a crucial part. So what do we do? We prepare the situation so that there are the conditions for our country to have agreements on energy made between our country and other countries, we get cheap energy and we ensure their adequacy for the Greek citizens. We create the conditions so that the Greek companies agree with foreign companies with private contracts which we promote

through our actions and through B2B meetings that we organize in order to find solutions for the Greek companies for energy. As for the war, which you mention in your question, we help through this plan and through our operation to open new markets so that we can cope with the energy issue, we can handle the Greek products or the products that should be imported and are from Ukraine, such as the grain, and we can keep a balance. Thus, our role is multidimensional there. And of course we have the responsibility on the sanctions. At this point we also do things that in the end are integrated in the National Strategy for Extroversion. Since there are these sanctions, we aim at helping the Greek companies either to find new markets, since it is forbidden to have their products sent in Russia, or to respond to the European Commission and its Department of Sanctions, because it is not easy for a company to know whether it can sell its products and until when it can sell them or until when it can be paid just through a European Commission announcement, especially since this is something new and refers to so many sectors of the economy. For example, in the sector of energy the European Commission announcement says that we move gradually in de-escalation in order not to be dependent on Russia. This does not mean that we stop. But it is not mentioned clearly until when we go and where we go and until when we are provided with energy and whether oil can be transported and which ships can transfer oil. Hence, in this sector as well we coordinate the demands of the Greek enterprises through the National Strategy for Extroversion so that it is straightforward that they do not violate the rules and they can do business until the point that is permitted. Thus, it is not one thing. In fact, we try to face any problem that is provoked by the war, and by extension the energy problem, with the tools we mentioned in the previous questions.

c. In terms of the actions, you said “These will happen”. Does this mean that more actions may take place? In the National Strategy for Extroversion 2021 there were 458 actions.

This was the first National Strategy. There were 458 actions. I believe that each year they are going to be even more. This happens because when something is new, you assign some actions. In fact, 350 out of these 458 actions took place last year due to COVID. However, those that were not realized were replaced by other 300 actions during the year. These 300 actions are not recorded in the National Strategy for Extroversion. But what happened? We knew that the action we had planned to take

place in France on October and did not happen was replaced by three actions or sub-actions that happened instead of an exhibition. These actions or sub-actions can be B2B meetings, an online conference, or something else that is recorded in our final review. It is something dynamic, not static. It is a planning that determines which countries and sectors we want and schedules what we will do for these sectors. If something does not happen, it doesn't mean that we lost it and it doesn't matter. It means that we adjust to the conditions during the year and we replace it with something else, in the same sector, in the same country. Because which is our purpose? It is not to write down many actions. Our aim is to help the companies. Thus, the conditions may have changed so much that something you had scheduled since November or December 2022 for the end of 2023 should not take place and be replaced by another sector. Thus, it is something dynamic that we adjust together with the agencies during the year. We all know that we start and we have agreed what we want. But you cannot predict what will happen in one year, especially since a lot of things take place during this time period.

d. And do you conduct a review in the end of the year?

Of course we do. There is a review on how many actions took place, which actions went well, how many people and who participated, how many businesses we helped, what is ongoing, what is transferred for the next year, why something should not happen on November and we move it for the February of the next year.

12. a. Modern diplomacy is not performed by a closed circle of ambassadors but by many and different actors, such as the political leadership, the businesspeople, the chambers, the civil society, thus we speak of extroversion in the diplomacy of the 21st century. A very important extroversion move by the Secretary General was the participation in Expo 2020 Dubai on March. Who participated on behalf of Greece and which is the assessment of our participation?

Expo is an exhibition of states that takes place every five years. 192 countries participated in Dubai, that is all the countries. This is an exhibition where you see the tendencies of the next five years and which are the priorities of a country. It is not a commercial exhibition. Commercial meetings, agreements, diplomatic missions take place. We did many of these. We had many and different types of companies, we had

regions that wished to show their comparative advantages, we had productive Ministries, like those of Tourism, of Energy, of Development, of Shipping, which showed their priorities for the next years. But in reality in this Expo you can conceive where the planet tends to move, what the tensions will be the next years. (This happens) by bringing together companies, agencies and Government officials, because a total of 192 countries is not found every day together, but it is found every five years in these Expos, where all the sectors are included (financial, cultural, political). They are every five years. It is like having United Nations in all aspects of our life. You have all of them together every five years and you see where the world will move. We (Greece) achieved, through eight priorities-pillars of the Greek economy, to show how Greece changed, how Greece was modernized the last years despite COVID and despite the difficulties that the planet faced. For example, we showed how Greece has become a technological hub and we showed the Greek traditional culture. Obviously, tourism and shipping, which have been two traditional sectors of Greek economy, are elements we showcased. In that way, we connected the old with the new and presented the new profile of the country. More than 840.000 visitors visited our pavilion. Taking into consideration the 192 countries, this means that we passed the image of Greece in the whole planet. Through all these presences we had in Dubai, we reached at a point where the President of the United Arab Emirates was in Greece two days ago. Also, we have done several important visits (apart from the visits that took place in the context of the Expo) that brought agreements and brought the two countries much more closely and we reached to be strategic partners with the Emiratis. Our presence in the Expo played an important role in this. Moreover, Expo contributed to communicating the message that we move forward, that the Greek economy has been improving constantly and that we move towards the investment grade, since even those who were not informed learned that Greece has been modernized. Thus, it is significant to have a serious, measured and real presence in such exhibitions.

b. Was the General Secretary responsible for who participated in and for who went to the Expo?

I was appointed as a General Commissioner (since I am Secretary General here) and Enterprise Greece was the implementing agency. Hence, those who had a presence in the exhibition participated through my guidance, through the everyday operation of

the pavilion, through the preparation of Enterprise Greece and through the help of our embassy in Abu Dhabi and our commercial office in Dubai, that are part of our structure. No one had a presence on her/his own. Everything was organized and we had a 6-month programme. However, it was also very difficult, because for instance we had organized ten events that were postponed due to COVID and because Europe closed and everything ran back. This Expo was very difficult because of COVID and it was a pity for the Emiratis because they had constructed amazing facilities. The participation of the visitors of the Expo reached 25 million people, but it could have been even more and with more actions from all of us had it not been for COVID.

13. In the National Strategy for Extroversion both of 2021 and of 2022 it is mentioned that the development aid will be equal to 0,3% of the GDP. Could you explain this?

This is a conventional responsibility of our country in the context of the United Nations. It is not only our responsibility, but it is a responsibility of all the countries as well. They have to offer 0,3% of their GDP in development aid. It is the minimum target that every country must have. This happens in the Z Directorate-General of the Ministry of Foreign Affairs that has the competence of the development aid. The coordination happens there. There are the actions that we organize. For example, we have sent a ship full of food and essentials in Lebanon. There are the vaccines. We distributed some million of vaccines for free in countries that did not have access to vaccines. These sum up to numbers and reach 0,3% of the GDP because we paid for the vaccines. They were not free. The vaccines are not ours. The vaccines were of the Ministry of Health from which we got them when it provided them and we provided them to poor countries. Thus, we coordinate and find the resources so that we can reach this 0,3% and in fact help the countries that are in need. This is the development aid. The 0,3% exists so that all the countries have in mind that when they do their budget, they have to calculate that the cost of 0,3% should be provided to countries that are in need.

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