

Course Outline

(Updated 081026)

Course number	RBC503					
Course title	Economic Diplomacy					
Credit points	3 ECTS					
Total hours	75					
Contact hours	32					
Independent studies	43					
Course level	Bachelor					
Prerequisites	-					
Category	Mandatory	X	Restricted elective		Free elective	

COURSE RESPONSIBLE

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Walter Doetsch	MSc	Visiting Lecturer

COURSE TEACHERS

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Walter Doetsch	MSc	Visiting Lecturer

COURSE ABSTRACT

This course explores the multifaceted field of economic diplomacy: the conduct of international economic relations through diplomacy. It examines how states and other

international actors use negotiation, representation, coordination, and economic policy to advance their foreign-policy and economic objectives. Its subjects include trade and investment, development assistance, sanctions, financial policy, and the institutions and agreements through which international economic relations are managed.

Economic diplomacy is not confined to cooperation or the promotion of prosperity. Economic interdependence can also provide leverage and create vulnerability. The course therefore engages with two related concepts: economic statecraft, the deliberate use of economic instruments to influence the conduct of other states and advance strategic objectives; and geo-economics, the interaction between economic power and geopolitical competition. These perspectives illuminate how trade, finance, investment, technology, and access to markets can be used both to sustain international cooperation and to exert pressure, project power, and shape the international order. The course also examines the increasingly important place of digital trade, supply-chain resilience, export controls, critical technologies, and technical standards in the relationship between economic security and foreign policy.

Particular attention is given to the distinctive position of EU member states. Their economic diplomacy operates at both national and European levels: in some fields they act independently, while in others they act collectively through EU institutions, thereby exchanging a degree of national autonomy for greater regulatory and negotiating weight.

Recent US trade policy provides a particularly revealing case study. Successive administrations have made growing use of tariffs, export controls, sanctions, subsidies, and bilateral bargaining alongside, and sometimes in tension with, established multilateral institutions. The course considers what this development reveals about: the relationship between unilateral measures and international negotiation; the growing preference for bilateral or regional bargains alongside multilateral frameworks; the use of economic interdependence as a source of strategic leverage; the increasing connection between trade policy and national security; and the weakening of institutional mechanisms, including the WTO dispute-settlement system.

These developments raise a central question for contemporary economic diplomacy: how can governments pursue prosperity and cooperation in an international economy that has also become an arena of coercion, strategic rivalry, and disruption?

Through case studies, simulations, and critical discussion, students will learn to distinguish among economic diplomacy, economic statecraft, and geo-economics; assess the instruments, institutions, and strategies associated with each; and develop analytical and practical skills relevant to careers in international relations, EU institutions, government, and global business.

GRADING CRITERIA

<i>Criteria</i>	<i>Weighting</i>
Assignments (including class participation)	20%

Quizzes	30%
Final Exam	50%

COURSE REQUIREMENTS

Use of Generative AI

Generative AI tools may be used to support preliminary brainstorming, identify search terms, and locate possible avenues for background research. They must not be used as substitutes for the student's own analysis and writing. Students may not submit AI-generated text, arguments, or source summaries as their own work. ***Doing so will be treated as if the student did not submit the assignment.***

Students remain fully responsible for the accuracy, originality, and integrity of everything they submit. Information and citations suggested by generative AI must be verified against reliable sources, and those underlying sources, rather than the AI output, must be cited. Any material use of generative AI in preparing an assignment must be disclosed in the submission concerned.

Use of AI when taking online quizzes is strictly prohibited and will be treated as an academic-integrity violation.

Requirements

1. Preparation and written work
Students must complete the assigned readings, come to class prepared to discuss them, and submit all written assignments by the stated deadlines. Assignments may include short response papers and policy briefs addressing subjects such as trade disputes, sanctions, supply-chain security, or EU economic diplomacy. At various times students will be asked to present impromptu on the topic of the current or previous class.
2. Quizzes
Students must achieve the minimum average specified in the course assessment criteria on quizzes covering the principal concepts, readings, and case materials. Quizzes are taken online and the rules governing the use of AI apply.
3. Final examination – Oral Exam (in pairs, 15 min per pair)
Students must pass a final examination assessing their knowledge and understanding of the course's theoretical and conceptual foundation as demonstrated by their ability to apply those foundations to concrete problems in

economic diplomacy. The examination will consist of a 6 page policy memorandum submitted at the exam and followed by questions answered without the use of electronic assistance or devices.

COURSE PLAN – MAIN SUBJECTS

No.	Main subjects	Planned hours
1	Foundations of Economic Diplomacy	4
2	Institutions and Actors	8
3	Tools of Economic Statecraft	8
4	Power, Competition, and Conflict	6
5	Future Trends and Challenges	6

COURSE PLAN – SESSIONS

Session	Session subjects and readings	L/S
1	Course structure and requirements, Followed by lecture on What is economic diplomacy? Tools, policies, and goals. Ch.1 <i>The New Economic Diplomacy</i>. For reference: Impromptu Speaking <u>Bing Videos</u> Format for Impromptu speaking drills: 7 minutes • Prepare for 15–30 seconds. • Speak for 1, 3, or 5 minutes.	L/S
2	An Analytical Toolkit. Reading: Ch. 2. <i>The New Economic Diplomacy</i>. Policy Memo Guidance: 6 PAGES MAXIMUM LENGTH	L/S

	Use clear section headings. Write in a neutral, analytical, policy-oriented style (not academic essay style). Use bullet points where appropriate. Provide citations only when strictly needed (facts, data, legal acts). Write for a busy senior policymaker → clarity, brevity, and prioritization. Avoid jargon or overly theoretical language. Use evidence-based claims, not opinion. Focus on policy relevance, not historical detail. Assume the reader already knows the basic EU institutional framework. Your policy brief should include the following sections: 1. Executive Summary (5–6 lines) 2. Background (1-2 paragraphs) 3. Overview of the EU Sanctions Regime 4. Assessment of Impact 5. Key Challenges (2026) 6. Policy Options for the High Representative/Vice President (Present at least two (no more than 3) concrete and realistic options. Each option should include: description, advantages, limitations/risks) 7. Final Recommendation (Choose one preferred option or a combination and explain briefly why it is the most effective.) Students should consult recent EU sanctions packages (up to 2025). Read at least one EU or think-tank source (e.g., EEAS, Bruegel, CSIS, ECFR). Include updated data where possible (GDP, trade flows, energy dependency). Use reliable sources only (EU documents, major research institutions, reputable media). Main Research Question: Select ONE economic diplomacy goal for a senior policy maker, and offer 3 distinct means of achieving that goal. Possible Topics: Trade Agreements and Market Access; Investment Promotion and Investment; The Multilateral Trading System in Crisis; Small States in Economic Diplomacy; The EU as an Economic Diplomat. These topics may include a discussion of: sanctions; export controls and technology restrictions; Investment screening; Tariffs as bargaining tools; Development finance and aid as influence; Weaponized interdependence; Supply chain security and de-risking; Critical raw materials and energy; Economic coercion and responses to it; Great power economic rivalry; Digital	
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	trade and data governance; Standards and regulatory power; Climate and trade; Industrial policy and subsidies; Financial and monetary diplomacy. It is best to pair a topic with an actor. Consider: How has the EU's approach to economic diplomacy evolved between 2020 and 2025 from a trade-centered model toward a geoeconomic security framework and what does this transformation reveal about the EU's capacity to act as a global economic power? <u>Sub-Question 1 — Evolution of EU Economic Diplomacy</u> How and why has the EU's external economic policy shifted from a liberal, trade-centered model to a geoeconomic security framework between 2020 and 2026? This sub-question invites analysis of: • Key policy milestones (e.g. Open Strategic Autonomy, Economic Security Strategy, new instruments like the Foreign Subsidies Regulation or Anti-coercion Instrument). • Internal and external drivers (pandemic-induced supply shocks, US–China rivalry, Russian aggression, energy dependencies). • The conceptual shift from market openness to strategic autonomy and resilience.) <u>Sub-Question 2 — Implications for Global Power Capacity</u> What does this transformation indicate about the EU's capacity and limitations to act as a coherent global economic power? This question focuses on: • The extent to which the EU has gained practical tools and leverage (market power, regulatory capacity, legal instruments). • Institutional and political constraints that still hinder unified, rapid action. Whether the EU now behaves more like a geoeconomic actor (using economic policy for strategic ends) or remains primarily a regulatory/trade power.) Tips for Researching EU Economic Diplomacy (2020–2026) 1. Make a timeline of key documents • Pick 4–5 major texts (e.g., Trade Policy Review 2021, Economic Security Strategy 2023, Digital Strategy 2025). • Note what each says about trade, security, or strategy to show how EU economic diplomacy has changed.	
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	2. Focus on one main idea: “geoeconomic power” • Geoeconomics = using economic tools (trade, sanctions, investment) to influence others. • Ask: do EU tools like Global Gateway or sanctions really increase its global influence, or just add bureaucracy? • Think in a simple triangle: Driver → Tool → Result (e.g., war in Ukraine → sanctions → EU influence). 3. Compare and think critically • Look at before 2020 (trade-focused) vs. 2020–2026 (security + resilience). • Ask whether new tools are effective or mostly rhetoric. • Consider other major actors (U.S., China, Japan) for context. • Conclude briefly: EXAMPLE “The EU is more strategic now but still faces coordination and speed challenges.” Why? The evolution of EU economic diplomacy is best demonstrated through documentary milestones rather than abstract theory. 2. Anchor the analysis in one conceptual lens — “geoeconomic actorness.” Why? The question asks not only how policy changed, but what it reveals about the EU’s power. This invites a conceptual framing that links economic instruments to global influence. How to do it: • Define “geoeconomics” briefly (use literature from EU Global Strategy, Biscop, Youngs, or Farrell & Newman). • Frame the EU’s economic diplomacy evolution as a test of actorness — the ability to link instruments (trade, finance, sanctions) to political objectives.	
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	• Show whether the new tools (Global Gateway, sanctions, outbound-investment screening) increase the EU's capacity to project power or simply multiply bureaucracy. Tip: You can use the simple analytical triangle: Drivers → Instruments → Outcomes (e.g. geopolitical shocks → new economic tools → evidence of greater or limited EU power). 3. Use comparative and critical reasoning — not just description. DO NOT SUMMARIZE. Consider: • Compare before vs. after 2020: What did “economic diplomacy” mean in the 2010s (trade promotion, market access) vs. now (resilience, sanctions, strategic autonomy)? • Contrast EU rhetoric vs. delivery: Are new tools (like Global Gateway or the Economic Security Strategy) producing measurable geopolitical leverage? • Briefly situate the EU alongside other actors (U.S., China, Japan) to show the competitive environment driving the shift. Tip: You should end with one concise evaluative sentence that reinforces your opening position.	
3	Economic Diplomacy in Practice. Reading: Ch. 3. <i>The New Economic Diplomacy</i> .	L/S
4	U.S. strategy and approach. Reading: Ch. 5. <i>The New Economic Diplomacy</i> .	L/S
5	Read: Article 1 (20 pages). The Weaponized World Economy. <i>Foreign Affairs</i> September/October 2025. (Includes submission.)	L/S
6	Geopolitical context of China and the West. Reading: Ch. 4. <i>The New Economic Diplomacy</i> .	L/S

7	WTO Negotiations. Reading: Ch. 10. <i>The New Economic Diplomacy</i> .	L/S
8	Read Article 2 (19 pages) After the Trade War. <i>After the Trade War. Foreign Affairs September/October 2025</i> . (Includes submission.)	L/S

9	Key lessons, current challenges, and the future of ED. Conclusions. Reading: Ch. 13. <i>The New Economic Diplomacy</i> .	L/S
10	The Economics of Sanctions. Reading: From Theory into Practice. <i>Brookings Papers</i> .	L/S
11	Read Article 3 (19 pages). The New Economic Geography. <i>Foreign Affairs September/October 2025</i> . <i>Foreign Affairs September/October 2025</i> . (Includes submission.)	L/S
12	EU economic diplomacy. Reading: Ch. 7. <i>The New Economic Diplomacy</i> .	L/S
13	Thinking about Geo-economics and Economic Statecraft. Reading: Introduction. <i>The Oxford Handbook of Geo-economics and Economic Statecraft</i> .	L/S
14	Read Article 4 (14 pages). The World Economy Was Already Broken. <i>Foreign Affairs September/October 2025</i>	L/S
15	Case analysis	L/S
16	Final Exam – Part 1 (29 October) – 4 pairs Oral with Written Submission **NO ELECTRONICS PERMITTED. Expectations: Done in pairs; Students sign up for 20 minute slots; Policy Paper to be presented to the Instructor and discussed at that time)	
17	Final Exam – Part 2 (Oral with Written Submission - Simulation): 24 November 2026 – 24 pairs **NO ELECTRONICS PERMITTED. Expectations: Done in pairs; Students sign up for 20 minute slots; Policy Paper to be presented to the Instructor and discussed at that time)	

COURSE LEARNING OUTCOMES

This course has the following main learning outcomes:

Knowledge:

1. Understand key concepts, institutions, and tools of economic diplomacy.
2. Recognise how economic policies intersect with foreign policy and global power dynamics.

Skills:

1. Analyse real-world cases of economic diplomacy and communicate findings clearly.
2. Produce concise policy briefs or papers on trade, sanctions, or regional strategies

Competencies:

1. Apply economic diplomacy concepts to practical decision-making and problem-solving
2. Work effectively in groups and participate in discussions with informed judgment

By completing the study course and successfully passing examination, the student has or will be able to:

Learning outcomes	Evaluation criteria		
	(40-69%)	(70-89%)	(90-100%)
Knowledge	The student has acquired only basic knowledge of the course subject. The student lacks understanding of some of the core issues of the course subject.	Overall, the student's knowledge complies with the expectations. However, there are issues that the student does not fully understand.	The student has demonstrated in-depth knowledge and understanding of the issues related to the course subject.
Skills	The student has demonstrated only a basic level of skills.	The student has demonstrated good skills.	The student has demonstrated excellent skills.
Competencies	The student can apply the knowledge only at a basic level. The student struggles with the assessment and evaluation of legal issues. The student can identify the relevant issues related to economic diplomacy (ED) but struggles to apply the concepts correctly.	The student can apply the knowledge at a reasonably good level. However, the student does not have the necessary level to be able to fully apply the acquired knowledge independently. The student has some problems to correctly apply the concepts of ED .	The student is able to apply the knowledge independently and correctly. The student can assess and evaluate legal issues, identify the relevant concepts, and correctly apply them.

Below is the contribution of defined grading criteria to learning outcomes. Number of grading criteria and learning outcomes correspond to those defined above.

Grading criteria	Learning outcomes					
	1.	2.	3.	4.	5.	6.
Assignments (including class	K1		S1	S2	C1	C2

participati on)						
Quizzes	K1	K2				
Final Exam	K1	K2			C1	

COURSE LITERATURE

Compulsory literature

<i>No.</i>	<i>Author, year, title, publisher</i>
1	Woolcock, Stephen. 2025. The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations (5th ed.). Routledge.
2	Fishman, Edward. 2025. Chokepoints: American Power in the Age of Economic Warfare. Portfolio. (selected chapters)
3	Articles 1, 2 and 3 from Foreign Affairs September/October 2025. See course page.
4	Baldwin, David A. 2020. Economic Statecraft. Princeton University Press.

Additional literature and sources

<i>No.</i>	<i>Author, year, title, publisher</i>
1	Blackwill, Robert D. & Harris, Jennifer M. 2016. War by Other Means: Geoeconomics and Statecraft. Harvard University Press.
2	Aggarwal, Vinod K., and Tai Ming Cheung, eds. 2025. The Oxford Handbook of Geoeconomics and Economic Statecraft. Oxford University Press.
3	Zhang, Xiaotong. 2024. New Economic Statecraft: Economic Tools in International Relations. Springer.
4	Aggarwal, Vinod K. & Evenett, Simon J. (eds.). 2022. The Political Economy of Geoeconomics: Europe in a Changing World. Palgrave Macmillan.