



**RIGA
GRADUATE
SCHOOL OF
LAW**

Course Outline

Course number	RBC503				
Course title	Economic Diplomacy				
Credit points	3 ECTS (2 LV)				
Total hours	80				
Contact hours	32				
Independent studies	48				
Course level	Bachelor				
Prerequisites	non				
Category	Mandatory	X	Restricted elective		Free elective

COURSE RESPONSIBLE

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Mr. Aldis Austers	PhD cand.	Guest lecturer

COURSE TEACHERS

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Mr. Aldis Austers	PhD cand.	Guest lecturer

COURSE ABSTRACT

This course deals with the economic (commercial) diplomacy in the context of bilateral and multilateral relations among the states, and among other things addresses such issues as to how domestic economic processes shape the behaviour of states and how international power relations condition the economic outcomes. This course consists of three parts. During the first part the basic principles of economics and the management of national economies are introduced, as well as the broad differences among national economies explained. In the second part, the issues of trade and investment promotion in the context of regional and global trade and capital flow arrangements are addressed, inter alia, the role of regional and global economic multilateral bodies in this context. At the end, the current challenges to economic development, access to critical supplies, and transportation systems, caused by technological competition, fight against climate change and geopolitical rivalry, are dealt with.

GRADING CRITERIA

Criteria	Weighting
Seminar assignments & in-class activity	30%
Research report	20%
Final exam (in-class, closed book)	50%

COURSE REQUIREMENTS

As this course is designated for non-economist students, such complex economic phenomena like money and finances are addressed at the level of general awareness, while a deep understanding of key concepts used to describe states' behaviour is required from students at the end of the course. During lectures, various concepts and actors related to economics are introduced, while at seminars the focus is on the organization of commercial diplomatic representations and approaches adopted by various actors, including states. The lecture materials are accessible after each lecture.

Seminar assignments & in-class activity

At lectures and seminars students are supposed to actively engage in discussions with the teacher, to raise questions and to respond to teacher's requests. For seminars, students are divided in several groups. For each seminar, the groups are supposed to make a presentation, a debrief and a review of other groups' presentations. Seminar topics are linked to the course literature and assigned to each group by the course teacher. The seminar presentations must be as concise as possible, and contain the title of topic, names of group participants, the list of content and a summary in conclusion. The presentations are to be submitted before each seminar session and the respective file name must contain the number both of seminar and group (e.g., Seminar1_Group1; Seminar1_Group2, etc.). Each group member has to contribute a fair share of work to the overall work of his or her group. At the end of the course students are asked to evaluate the level of contribution of other group members, and the final grade for seminar activity of will be adjusted according to these evaluations.

Research report

During the course, students are required to draw and present research reports on a commercial strategy of a particular state from the Baltic Sea region.

Students will prepare research reports in groups (2-3 people). The principal topic of these reports will be analysis of the aims and organizational principles of economic diplomacy of different states from the Baltic Sea region. Each report is supposed to address the following aspects:

- SWOT analysis of the national economy in question;
- Summary of foreign policy goals of that state;
- Critical assessment of the commercial strategy of that state from Latvia's perspective (i.e., political, economic and business risks).

Reports are to be submitted in writing shortly before the end of the course. Volume: max 10 pages, size of fonts – 12 (Times New Roman), line spacing – 1.5; not more than 3000 – 3500 words. The reports will be peer-reviewed by fellow students. The main research results and conclusion from the peer reviews will be presented at the last session of the course. The presentations shall be limited to 3 Power Point slides and not exceed 3 minutes.

A successful completion of all seminar tasks and the research report are preconditions for admission to the final exam. If for some legal reason a student is not able to join some seminar activity or misses the research task, an individual task is assigned by the teacher upon request. At the exam, students are expected to demonstrate aptitude to recognize specific situations faced by states (based on a given list of concepts) and to explain the consequences to those states linked to their behaviour alternatives.

COURSE PLAN – MAIN SUBJECTS

No.	Main subjects	Planned hours
1	Principles of economics, major economic actors, structural features of national economies.	8
2	International trade and related issues.	7
3	International finance and related issues.	5
4	Energy, climate and technology issues.	6
5	Trade missions, export promotion, promotion of foreign investments.	6

COURSE PLAN – SESSIONS

Session	Session subjects and readings	Lecture/ Seminar
1	Introduction to economic diplomacy.	Lecture
2	Prerequisites of economic development. Factors of production. Main categories of economic actors. The concept of market and market forces. The stages of and traps to economic development.	Lecture
3	Political vs. economic logic. Varieties of economic systems. Market failure. State intervention and regulation. Balanced economic development. The genesis of states' foreign economic policy goals.	Lecture
4	Bilateral, regional and multilateral economic diplomacy. State actors and various approaches to organization of economic representations abroad. Role of the trade missions abroad, its functions and mandate.	Seminar
5	International arena. Legal underpinnings. Nature of interstate relations. Liberal international order. Globalization. Political trilemma. Geopolitics.	Lecture
6	Economic openness: pros and cons. Dependency, interdependency and integration. Contemporary political developments.	Lecture
7	General aspects of international trade: theory, arrangements and modes. The concept of current account. Protectionism. Sanctions & inducements.	Lecture
8	Economic diplomacy set-up of various countries and regions. The role of state actors, business community, interest groups, chambers of commerce.	Seminar

Session	Session subjects and readings	Lecture/ Seminar
9	Negotiating a trade agreement. Global trade system and WTO. Regional trade arrangements: prospects and challenges. Types of trade agreements. Logistics. Contemporary developments.	Lecture
10	Principles of a capitalistic monetary system: structure, actors, challenges. Sources of monetary disturbances. Macroeconomic management.	Lecture
11	Concept of financial markets and intermediaries. Liberalization of capital cross-border flows. Exchange rate. Economic trilemma. Competitiveness and the balance of payments crises.	Lecture
12	Topical issues of contemporary economic diplomacy: economic security, financial stabilization, climate change, agriculture, business development.	Seminar
13	Energy issues.	Lecture
14	Climate issues.	Lecture
15	Technology issues.	Lecture
16	Presentation of student research reports.	Seminar

COURSE LEARNING OUTCOMES

This course has the following learning outcomes:

Knowledge:

1. Comprehend the basic principles of management of a national economy and the objectives of economic diplomacy of states in the context of international trade and cross-border flows of capital.
2. Understand the principles of organization and practice of states' economic and trade missions abroad, and the role of regional and global multilateral economic bodies in the context of economic diplomacy.

Skills:

3. Recognize structural differences among national economies and understand how these differences translate into particular external economic goals of states.
4. Distinguish how various contemporary international economic issues affect the behaviour of states and by what means they counteract to reduce harm.

Competencies:

5. Display aptitude for critical assessment of suitability of states' chosen commercial strategies to domestic needs and of the ability of various international political actors to assist or, on the contrary, to undermine states in their economic diplomacy efforts.
6. Navigate through the challenges faced by small economies and the respective solutions in connection to fragmenting multilateral global trade system, growing geopolitical tensions and technological rivalry among the superpowers.

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

Learning outcomes	Evaluation criteria		
	(40-69%)	(70-89%)	(90-100%)
Knowledge	The student has acquired only basic knowledge of the the principles of management of a national economy and the principles of organization and practice of states' economic and trade missions abroad. 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 the principles of management of a national economy and the principles of organization and practice of states' economic and trade missions abroad.
Skills	The student has a basic level of necessary skills to recognize structural differences among national economies and how contemporary international economic issues affect the behaviour of states.	The student has a good level of necessary skills to recognize structural differences among national economies and how contemporary international economic issues affect the behaviour of states.	The student has an extended level of necessary skills to recognize structural differences among national economies and how contemporary international economic issues affect the behaviour of states.
Competences	The student has only basic skills for critical assessment of states' commercial strategies, the role of various international political actors, and of the contemporary challenges faced by small economies.	The student is capable of critical assessment of states' commercial strategies, the role of various international political actors, and of the contemporary challenges faced by small economies at a reasonably good level.	The student is able to carry out critical assessment of states' commercial strategies, the role of various international political actors, and the contemporary challenges faced by small economies independently and correctly.

**Please analyse the contribution of defined grading criteria to learning outcomes.
Number of grading criteria and learning outcomes should correspond to previously defined one.**

Grading criteria	Learning outcomes					
	1.	2.	3.	4.	5.	6.
Seminar assignments & in-class activity	x	x	x	x		
Research report					x	x
Final exam	x	x	x	x	x	x

COURSE LITERATURE

Compulsory literature

No.	Author, year, title, publisher
1	<i>Economic Diplomacy: economic and political perspectives</i> , ed. Peter A.G. van Bergeijk, Maaïke Okano-Heijmans and Jan Melissen (Leiden ;Boston: Martinus Nijhoff Publishers, 2011)
2	<i>The New Economic Diplomacy</i> . Bayne, Nicholas, and Stephen Woolcock (3rd ed. Taylor and Francis, 2016)
3	Ravenhill, John, <i>Global Political Economy</i> (4th ed., Oxford University Press, 2014)

Additional literature and sources

No.	Author, year, title, publisher
1.	Putnam, Robert D, "Diplomacy and domestic politics: the logic of two-level games," <i>International Organization</i> 42, 3, Summer 1988
2	<i>Economic diplomacy of the Baltic States</i> , ed. Andris Sprūds and Kārlis Bukovskis (Riga: Latvian Institute of International Affairs, Friedrich Ebert Stiftung, 2014)
3	van Bergeijk, Peter A.G. and Moons, Selwyn, "Economic Diplomacy and Economic Security," in <i>New Frontiers for Economic Diplomacy</i> (ed. Carla Guapo Costa, Instituto Superior de Ciências Sociais e Políticas, 2009)
4	Briguglio, Lino, et al., <i>Economic Vulnerability and Resilience: Concepts and Measurements</i> (2008).
5	UN, <i>Charter of Economic Rights and Duties of States</i> (1974)

6	Annette Stadman, <i>Competitors or Collaborators: A comparison of the commercial diplomacy policies and practices of EU Member States</i> , Master Thesis (Universiteit Twente, 2012).
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