

PUBLIC DIPLOMACY AS A TOOL FOR SETTLEMENT OF INTERNATIONAL SOCIAL AND ECONOMIC DISPUTES

Svitlana Naumkina¹, Oleksii Kokoriev², Svitlana Dmytrashko³

Abstract. *Subject of the study.* The problems of economic diplomacy are constantly in the focus of researchers' attention, especially in recent years, when the challenges of the globalisation era have significantly changed the rules of interaction in international relations: limiting the possibilities of classical diplomacy within the Westphalian system, allowing new actors (multinational corporations, non-governmental organisations) to enter the diplomatic field, introducing advanced forms of diplomatic communication, etc. These innovations have led to significant changes in the field of economic diplomacy, as the economic aspects of international relations have become crucial in the process of economic competition in the modern world. Hence, the *purpose of this paper* is to provide an in-depth study of the theoretical and applied aspects of modern instruments of diplomatic influence as a system of mechanisms for interstate regulation of the world economy, which belongs to the sphere of foreign policy and is, by its very nature, one of the main and most effective means of settling international socio-economic disputes. Since the term "diplomacy" is most often used: 1) in the sense of state activity in the sphere of foreign relations; 2) as a set of institutions and persons engaged in state activity in the sphere of foreign relations; 3) to define the profession of a diplomat. Traditionally, some of the main methods of diplomatic activity are: negotiations, conclusion of bilateral (multilateral) agreements, opening of representative offices of one state in another, etc. *Methods* of implementing diplomacy are defined as appropriate levers of influence on governments, diplomatic representatives and other persons of foreign states, using and applying the world's effective diplomatic experience of conducting business relations of states to achieve its objectives. Currently, economic diplomacy is an important catalyst for economic progress not only in individual countries but also in the global economy, an integral element of foreign policy to improve international competitiveness, investment and tourist attractiveness of the country, increase its foreign trade activity, open new production facilities and create new jobs. Undoubtedly, the role of economic diplomacy is obvious for countries with a high level of investment and trade activity, for SMEs trying to enter the markets of other countries, and for multinational companies that are strengthening their presence in the world. *Conclusion.* The current development of multilateral economic diplomacy is shaped by the following trends: expansion of the mandate of leading multilateral organisations and forums beyond the scope of traditionally discussed issues (in recent years, the OECD has been discussing non-traditional aspects such as environmental and food security, population ageing, fighting corruption, etc.); increasing the number of participants in the global economy and expanding the scope of regulation within international organisations necessitates reforming the institutions of multilateral economic diplomacy (the WTO has developed a document "The Future of the WTO" containing proposals for organisational reform); multilateral economic diplomacy has become open and public (many developed countries often make proposals addressed to the entire world community (especially on global issues of economic, social and environmental development)); interaction of various organisations and forums is increasing (the WTO cooperates with the IMF, the World Bank, the UN, UNCTAD, etc.); increase in the level of publicity and transparency of multilateral diplomacy (openness to the media, prompt posting of information on the official websites of international organisations). Despite the fact that multilateral economic diplomacy has many problems, it can be argued that bilateral and multilateral economic diplomacy forms an effective

¹ The State Institution "South Ukrainian National Pedagogical University named after K.D. Ushynsky", Ukraine (*corresponding author*)

E-mail: svetlana.naumkina@gmail.com

ORCID: <https://orcid.org/0000-0002-1125-647X>

² State University of Intelligent Technologies and Telecommunications, Ukraine

E-mail: kokorev@ukr.net

ORCID: <https://orcid.org/0000-0001-7391-2498>

³ The State Institution "South Ukrainian National Pedagogical University named after K.D. Ushynsky", Ukraine

E-mail: lanadmitrashko@gmail.com

ORCID: <https://orcid.org/0000-0002-4803-4387>



mechanism for managing global economic processes in the interests of individual countries and the global community as a whole.

Key words: state, power, conflicts, political sphere, diplomatic negotiations, domestic and foreign policy, actors, security, diplomatic lobbying, political elite, negotiation strategies, European integration, global economic system, public diplomacy, political dialogue, identity.

JEL Classification: F42, F49, H87, R10, R33

1. Introduction

Economic globalisation has forced countries to search for new instruments of global integration, involve all actors in international relations in the internationalisation of the national economy, adhere to the principles of sustainable development, and gradually shift attention from centralised methods of promoting the country's interests, in particular, exclusively through diplomatic channels, to the use of soft power instruments. Among the latter, economic diplomacy stands out.

The problems of economic diplomacy are constantly in the focus of researchers' attention, especially in recent years, when the "new normality" of the globalisation era has significantly changed the "rules of the game" in international relations: limiting the possibilities of classical diplomacy within the Westphalian system, allowing new players (multinational corporations, non-governmental organisations) to enter the "diplomatic field", introducing new forms of diplomatic communication ("Twitter diplomacy"), and so forth. These innovations have led to very noticeable changes in the field of economic diplomacy, as the economic aspects of international relations have become crucial in the process of economic competition in the modern world.

The issue of regulating and preventing international conflicts, as well as the role of negotiations in strengthening international cooperation in the context of the emergence of a new world order and the spread of globalisation and regionalisation, is very important, as a significant reduction in barriers to trade flows not only increases competition but also enhances business opportunities to promote goods to other markets.

Modern economic diplomacy is a joint activity of the state and business to implement the national foreign economic policy with the greatest benefits for the country and minimal losses, and a way to resolve trade conflicts.

The main tasks of diplomacy are the art of negotiation, the ability to prevent and resolve international conflicts in the foreign economic sphere, to find compromises and mutually acceptable solutions to complex foreign economic problems. An interesting and unusual element of these procedures is that the ultimate goal of dispute resolution is not to identify the guilty party and the

party whose rights have been violated, as it should be at first glance, but to find a solution that would suit both parties to the dispute (Bezrukova, 2015).

Standards of economic diplomacy are enshrined in international and intergovernmental documents, including: regulations of the United Nations, its General Assembly and structural units, regulations of international intergovernmental organisations, agreements of individual states with international organisations, multilateral agreements, national government regulations, etc.

Recently, active forms of commercial diplomacy have become widespread, including political and diplomatic support and lobbying for domestic exports, numerous interrelated measures aimed at improving the conditions for national companies' access to foreign markets (primarily trade and political measures), involvement of multilateral and regional organisations to promote their own interests, and targeted influence on partners using financial, resource and other means of pressure.

Therefore, the purpose of this paper is to provide an in-depth study of the theoretical and applied aspects of modern instruments of diplomatic influence as a system of mechanisms for interstate regulation of the world economy, which belongs to the sphere of foreign policy and, by its very nature, is one of the main and most effective means of settling international socio-economic disputes.

2. Research Methodology

At the end of the twentieth century, countries came to understand that the economic sphere was becoming crucial in the development of the national economy and international cooperation, but that countries were obliged to take into account all challenges and threats, while maintaining "economic and cultural independence; the ability to innovate and produce through a reliable industrial and technological base; prosperity and their resources, which determine their ability to act, as well as their stability and internal cohesion; the political, economic and cultural influence that gives them an international role" (Denécé Éric, 2011).

In his study, K. Flissak assigns a crucial role to globalisation in shaping modern economic diplomacy, as it has posed "a number of new challenges due to

the complication of the global market, and the solution of numerous internal problems of individual countries has become a common interest of players in this market", while the active position of the state in implementing economic diplomacy tools remains important (Flissak, 2012). A fundamental study of economic diplomacy was conducted by professors of the London School of Economics and Political Science (LSE) N. Bayne and S. Woolcock (Bayne, Woolcock, 2002), considered the formation of economic diplomacy in the context of the European Union and its integration prospects. The Oxford Handbook of Modern Diplomacy (Cooper, 2015) considers economic diplomacy as a political and economic category, because the growing role of economic factors means that "the common goal of public and private actors is to win competition. From this point of view, the function of economic diplomacy is to make foreign markets "receptive" to the products offered by their companies and to reduce the influence of other competitors" (Cooper, 2015).

Modern international economic relations are not only about the exclusive role of governments, as they include a significant number of non-state actors, as most researchers of economic diplomacy say. And it is globalisation that has contributed to the entry into the international arena of non-state actors from various fields (economic, social, cultural, etc.), which have a significant impact on global processes and, sometimes, even more effective activity than states, although it can be destructive (Badie, Bertrand, 2013).

It is clear that the activities of non-state actors have become a complement to governmental diplomacy, as "they have also developed their own diplomatic activities, sometimes delegated by states, sometimes in competition with or in opposition to them" (Guilbaud, 2020; G. von Bergeijk, 2011), and new frontiers of economic diplomacy are being explored.

Undoubtedly, economic diplomacy is not a new phenomenon, and, as scholars note, "for centuries, the main mission of foreign policy of countries has been to protect traders in foreign lands, support their activities and protect commercial roads. If the previous economic diplomacy was commercial, today it is understood in a broader sense" (Szatlach, Maria Ewa, 2015).

Therefore, the sphere of foreign trade is only a component of it, although there are studies that consider commercial and economic diplomacy as identical in content and functions, while others distinguish between trade and commercial diplomacy (Kravchuk and Lutsyshyn, 2021).

Sharov O. M. considered the macroeconomic aspects of diplomacy, determining the geo-economic location of Ukraine and the processes of European integration of Ukraine as a maritime state (Sharov, 2019).

Academician O. G. Bilorus noted that the current situation requires the formation of a new global diplomacy and diplomacy as a science, so it is possible to talk about the gradual development of the relevant categorical apparatus of such a science. In this context, attention should be paid to the transformation of certain types of diplomacy (in this case, economic diplomacy) into a political-economic (but not political economy) category, which can be seen as an intermediate step towards the formation of "diplomacy as a science" (Bilorus, 2016).

Economic diplomacy is a specific branch of modern diplomatic activity related to the use of economic problems as an object and means of cooperation in international relations, which is a component of the foreign policy and international activities of the state, where foreign policy determines the goals and objectives of economic diplomacy, which in turn uses its own means and methods. It influences foreign policy and regulatory decisions, the effect of which will be changes in global trade and investment. The objective of economic diplomacy is to achieve economic goals through diplomacy, regardless of whether it uses economic leverage to achieve them. However, on the other hand, diplomacy can use economic levers (e.g., sanctions) to achieve non-economic (political, military) goals, and this can also be considered economic diplomacy.

All of the above allows to conclude that economic diplomacy is a fusion of economics and politics, brought to the level of making and implementing management decisions, through which cooperation and competition in the modern world are carried out, and which determine the forms and methods of development and improvement of the market economy.

3. Results and Discussions

3.1. The Functional Role of Diplomacy in the Mechanism of Settlement of Socio-Economic Disputes

The concept of "diplomacy" has a variable range of interpretations (Kyridon, 2023; Ivashchuk, Zapukhlyak, Ivashchuk, 2022; Patlasyhynska, 2022; Myronova, 2023; Ishchuk, Bila, 2023; Yakovyuk, Bilousov, 2022):

- Activities of the government and special bodies of foreign affairs to implement the state's foreign international policy and protect the state's interests abroad;
- a tool for implementing the state's foreign policy through a set of practical measures, techniques and methods implemented with due regard to specific conditions and nature of the tasks, where the official activities of heads of state and government, ministers of foreign affairs, diplomatic missions abroad,

delegations at international conferences implement the goals and objectives of the state's foreign policy, to protect the rights and interests of the state, its institutions and citizens abroad;

– is an organisational and political instrument for the implementation of the state's foreign policy course, which contains a set of techniques and methods for the successful implementation of foreign policy goals, i.e., it is a certain mechanism for building international relations between sovereign states, created and based on the mutual exchange of diplomatic representatives who embody the national identity of their state;

– according to the Oxford English Dictionary, "diplomacy" is defined as a tool for realising the objectives of a country's international relations by conducting negotiations between participating states, where ambassadors and envoys use special means to ensure an effective negotiation process (Yunak, 2013).

Thus, the term "diplomacy" is most often used: 1) in the sense of state activity in the sphere of foreign relations; 2) as a set of institutions and individuals engaged in state activity in the sphere of foreign relations; 3) to define the profession of a diplomat. Traditionally, some of the main methods of diplomatic activity are: negotiations, conclusion of bilateral (multilateral) agreements, opening of representative offices of one state in another, etc.

The forms of diplomacy can be as follows:

1. Diplomatic conferences, meetings, congresses, which can be bilateral and multilateral at different levels – ranging from special envoys to heads of state.

2. Direct contact, a private conversation that allows to establish conditions for solving complex international issues, leaving aside standard methods of communication such as diplomatic channels such as mail, couriers, ambassadors at large.

3. Diplomatic correspondence: statements, letters, notes, memorandums, declarations, etc.

4. Representation of the state abroad on a permanent basis, i.e., the activities of embassies, missions and consulates.

5. Drafting and concluding international treaties and agreements on various issues of international cooperation.

6. Direct participation of the country's representatives in the activities of international organisations and institutions.

7. Coverage in the press of the position of the state and government, the Ministry of Foreign Affairs on international events.

8. Publication of official international acts and documents confirming the relevant obligations.

Methods of implementing diplomacy are defined as appropriate levers of influence on governments, diplomatic representatives and other persons of foreign states that use and apply the world's

effective diplomatic experience in conducting business relations of states to achieve its objectives (Palagushynets, 2020).

Methods and means of implementing diplomacy in the field of international relations at the present stage of development of diplomatic relations: official and other visits and negotiations at the highest level (summits); diplomatic congresses, conferences, meetings and meetings; preparation of bilateral and multilateral international treaties and other diplomatic documents; participation in the work of international organisations and their bodies; day-to-day representation of the state abroad by its embassies and diplomatic missions; diplomatic correspondence; publication of diplomatic documents; and press coverage of the government's position on certain international issues.

Among the challenges of the late XX – early XXI century that affected the nature and functional space of diplomacy:

– Globalisation and glocalisation;

– the emergence and functioning of new independent states;

– erosion of the Westphalian system of nation-states;

the emergence of non-state actors (transnational companies, non-governmental organisations, etc.) in the international arena;

– active blurring of the Yalta-Potsdam system, etc.

Among the most pressing tasks of modern diplomacy is the settlement of international conflicts and crises. Regional conflicts (e.g., in Kosovo and South Ossetia) have become one of the challenges of such settlement. All this stimulated conceptual scientific and practical developments, which, in turn, created the preconditions for the allocation of an independent field of research and diplomatic practice, diplomacy of conflict management and crisis management.

One of the simplest, most convenient and quite acceptable means of resolution for the parties to an international dispute is negotiation, the process of finding solutions to disputed issues by the parties themselves through direct contact and agreement between them. In all international legal acts related to the peaceful settlement of international disputes, negotiations are highlighted as the primary method (which confirms their effectiveness, universality and efficiency) (Zhelikhovskiy, 2018).

Negotiation is a form of resolving a legal conflict by discussing it with the parties to the conflict in order to reach a mutually beneficial (compromise) solution. This method is mainly based on the respect of the opponents for each other, which allows for an agreement when interests do not coincide, opinions and views differ, but effective negotiations can prevent conflicts in the future (Asiryanyan, Horlova, 2017).

The question that arises is whether negotiations are possible during war. In theory, it is possible to

discuss territorial disputes, possible compromises and concessions, and the potential loss of something smaller in order to retain something bigger and more important.

In the situation of a full-scale insidious Russian invasion, negotiations will not help, because the physical destruction of the population and infrastructure, the genocide of the Ukrainian nation, torture, and murder cannot be stopped by negotiations. This is a large-scale catastrophe, the consequences of which are felt by the whole world, and which will require a long time to recover.

There is a variation in multilateral diplomacy: if in the past diplomacy was carried out mainly in the form of negotiation within various congresses (e.g., the Congress of Westphalia in 1648, the Congress of Vienna in 1815, etc.), in the XX–XXI centuries multilateral diplomacy is carried out within the framework of international universal (UN) and regional (EU, OSCE, and the League of Arab States) organisations; conferences, commissions, etc. that are created or convened to address a particular problem (e.g., the Paris Conference on Vietnam, the Joint Commission on the Settlement of the Conflict in South West Africa); multilateral meetings at the highest level, in particular, the meeting of the G8 leaders (which became a blasphemous mockery); activities of individual embassies (for example, the US Embassy in China, together with Chinese and Japanese diplomats, paid special attention to finding solutions to problems on the Korean Peninsula (Banchuk-Petrosova, 2020).

Diplomatic means of resolving international disputes are provided for in numerous international legal acts (e.g., the Convention for the Peaceful Settlement of International Disputes (I Hague Convention, signed on 18.10.1907), the General Act for the Peaceful Settlement of International Disputes of 26.09.1928, etc.) (Banchuk-Petrosova, 2020).

Another new feature of modern diplomacy is its multidimensionality. Whereas previously the regulation of international relations by diplomatic means was effectively limited to foreign policy and trade, today the range of issues has expanded significantly. Such areas as disarmament, ecology, terrorism, social issues, and many other problematic issues have become objects of discussion and regulation. As a result, the content of the agenda that can be the subject of diplomatic discussion has become much more complex, and diplomats now need to study new, previously unfamiliar areas of knowledge. Consequently, in the course of training diplomatic personnel, along with traditional courses, such as country studies, history, law, economics, language, etc., completely new ones have emerged. For instance, the Foreign Service Institute, which is the leading US diplomatic training centre for the

country, has introduced courses on drug trafficking, refugees, environmental protection technologies, and possible market expansion for the US (Kyridon, 2023).

Today, economic diplomacy is an important catalyst for economic progress not only in individual countries but also in the global economy, an integral element of foreign policy to improve international competitiveness, investment and tourist attractiveness of the country, increase its foreign trade activity, open new production facilities and create new jobs. And one should not ignore its role in ensuring the national security of the country and safeguarding its national interests, as emphasised by domestic and foreign researchers.

Professor V. Rokocha, studying the security significance of economic diplomacy and substantiating the impact of its instruments on the functional components of the state's economic security, notes that economic diplomacy "acts both as a tool to stimulate global trade and investment flows and as a factor in protecting national interests and ensuring economic security of states" (Rokocha, Horbachuk, 2019).

From the organisational point of view, these are diplomatic official actions focused on increasing exports, attracting foreign investment and participating in the work of international economic institutions, i.e., actions aimed at confirming the country's economic interests at the international level.

In other words, economic diplomacy is a set of organisational and legal instruments and actions in the foreign economic sphere and coordinated interaction of state and non-state structures to ensure sustainable development of the country and its economic security, especially in the context of globalisation.

O. Horbachuk substantiates that "the functions of modern economic diplomacy are related to investment and innovation, foreign economic, energy, financial and other components of economic security, which directly and indirectly affect the entirety of these components, and thus the overall level of economic security of the state" (Horbachuk, 2017).

At the same time, other authors focus on other functions of economic diplomacy, such as the use of sanctions to eliminate unfair trade or investment conditions (Ishchuk & Bila, 2023).

The researchers justify this position as follows: "If diplomatic efforts fail to prevent a war between two or more countries, economic sanctions as an instrument of diplomacy can be used and targeted at the trade, companies, financial sectors and even individuals of the adversary country to prevent that country's access to the global economy" (Mehmet, Ali Özçobanlar, 2022).

Undoubtedly, the role of economic diplomacy is obvious for countries with a high level of investment and trade activity, for SMEs trying to enter the markets of other countries, and for multinational companies that are strengthening their presence in the world (Myronova, 2023).

3.2. Issues of Modern Development of Economic Diplomacy

The current development of multilateral economic diplomacy is shaped by the following trends: expansion of the mandate of leading multilateral organisations and forums beyond the scope of traditionally discussed issues (the OECD has been discussing non-traditional aspects such as environmental and food security, population ageing, fighting corruption, etc. in recent years); an increase in the number of participants in the global economy and the expansion of the scope of regulation within international organisations necessitates reforming the institutions of multilateral economic diplomacy (the WTO has developed a document "The Future of the WTO" containing proposals for organisational reform); multilateral economic diplomacy has become open and globally public (many developed countries often make proposals addressed to the entire world community (especially on global issues of economic, social and environmental development); Interaction between various organisations and forums is increasing (the WTO interacts with the IMF, the World Bank, the UN, UNCTAD, and others); the level of publicity and transparency of multilateral diplomacy is increasing (openness to the media, prompt posting of information on the official websites of international organisations). It is worth highlighting a number of problems of multilateral economic diplomacy at the present stage (Kukharyk, Lypych, 2022):

- 1) Administrative and technical problems (inability of all interested countries to participate in the negotiation process, many countries cannot fully participate in the work of multilateral groups due to lack of financial and human resources, or lack of permanent representation at international organisations.
- 2) Implementation problems (difficulties in institutional and legal adaptation to internationally agreed requirements due to lack of financial resources and difficulties in reforming legislation).
- 3) Evolutionary problems (all states are at different levels of development, each country has its own approaches to the format and mandate of international negotiations).

Within the framework of multilateral economic diplomacy, one can distinguish the sphere of pluralistic economic diplomacy, which is aimed at solving specific regional problems (does not cover

interregional development issues) and is carried out at the level of integration associations (search for compromises, mutual concessions in the formation of a common market, economic union, transfer of powers to supranational bodies), quasi-integration type associations (interacting on a specific issue, in the process of implementing a specific project (APEC, BSEC), informal summits and non-governmental institutions (London Club, Paris Club, G20), industry organisations (OPEC) (Kukharyk, Lypych, 2022).

Bilateral economic diplomacy has a number of specific features: it is aimed at creating an effective environment for the development of economic cooperation by concluding strategic cooperation agreements; it is used as a tool to solve problems that have not been resolved at the multilateral level; the involvement of senior officials in the negotiation process is increasing; the concept of "bilateral diplomacy" has become conditional, as an integration association is increasingly becoming one of the parties to such diplomacy.

Thus, bilateral and multilateral economic diplomacy forms an effective mechanism for managing global economic processes in the interests of individual countries and the global community as a whole.

When examining the development of economic diplomacy in Ukraine, it is necessary to consider the national existing and potential problems of implementing Ukraine's economic diplomacy related to interstate economic cooperation.

The main problems in the implementation of Ukraine's economic diplomacy are as follows:

- 1) Foreign policy issues (creating artificial tensions with neighbouring states; participation in military operations that make the country a target of international terrorism).
- 2) Domestic political problems (periodic recurrence of the political crisis; manifestations of political instability and imbalance in the legislative, executive and judicial branches of government, and hence the uncertainty of foreign partners in the guarantees of property rights and the efficiency of the use of invested funds; attempts and actions to revise the ownership of already privatised objects, their re-privatisation based on political motives; high level of corruption; constant threat of a surge in protest political activity).
- 3) Legislative and regulatory problems (insufficient legal stability, in particular in the implementation of legislative changes in payments to budgets of all levels and centralised special purpose funds; enactment of legislative acts without proper regulatory support; inconsistencies, in a number of cases, between legislative acts and bylaws of both non-departmental and departmental nature; introduction of regulations retroactively in some cases).

4) Legal issues (lack of an effective mechanism of legal protection of investors from debtors and unscrupulous partners, weak capacity of the judicial system, negative practice of debtors' failure to comply with their obligations; unresolved problems related to standardisation and certification of products and goods; widespread practice of changing ownership rights with "raider tools" in the country, where the judiciary plays a key role).

5) Administrative problems (instability of economic policy, its dependence on organisational changes at the government level) (Kukharyk, Lypych, 2022).

4. Research Results

4.1. Defining Diplomatic Mechanisms for Regulating Socio-Economic Relations in the World

One of the most significant areas of activity of states at the present stage is the development of a strategy for interaction and cooperation with other states, which has led to the need for effective use of existing methods of resolving international disputes, both diplomatic and legal. According to modern international law, states are obliged to resolve their disputes only by peaceful means (Ivashchuk, Zapukhlyak, Ivashchuk, 2022).

In the most general sense, the peaceful settlement of international disputes refers to various measures, procedures and actions aimed at overcoming the arisen disputes and disputable situations in the shortest possible time in a manner that is most acceptable to all parties concerned, without the use of force in international relations.

The principle of the peaceful settlement of international disputes is one of the basic principles of international law. It is enshrined in such documents as the 1945 UN Charter, the 1970 Declaration on Principles of International Law, etc.

The principle of the peaceful settlement of international disputes is enshrined in Article 2(3) of the United Nations Charter as follows: "All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered." This means that states are obliged to resolve their international disputes exclusively by peaceful means. States are oriented towards the speedy resolution of an international dispute (Charter of the United Nations, 1945).

The peaceful settlement of international disputes is carried out through a special mechanism that includes legally enshrined methods and means in the form of a well-coordinated system.

Some sources do not divide the methods of peaceful settlement of disputes into groups, but simply list

them one by one: negotiations and consultations, surveys, good offices, mediation, conciliation, arbitration, litigation, recourse to regional agencies and bodies, procedures established by the UN Charter, procedures provided for by other international instruments (namely, negotiations, mediation, investigative procedure, conciliation, arbitration, International Court of Justice), means provided for by the UN Convention on the Law of the Sea, means of settlement of international commercial disputes, the United Nations, regional organisations (Merrills, 2010).

Some authors accept the classical division into diplomatic and legal means of peaceful settlement of disputes, but consider separately the peaceful settlement mechanisms provided for by the UN Convention on the Law of the Sea. On the other hand, some authors distinguish between the following (Cooper, 2015; Palagusynets, 2020; Fedorova, 2022; Yakovyuk, Bilousov, 2022):

- 1) Diplomatic means – direct negotiations, good offices, mediation;
- 2) institutionalised (formalised) means that do not necessarily lead to a final decision – investigative procedure, conciliation;
- 3) means leading to a binding court decision – arbitration, dispute resolution by any Permanent International Judicial Body (Degan, 2017).

The authors believe that all methods of peaceful resolution of international disputes are traditionally divided into two groups. Negotiations, consultations, conciliation, committees of inquiry and reconciliation, mediation and good offices constitute the first group and are called diplomatic means because the parties have full control over the dispute and can accept or reject the proposed resolution mechanism.

The other group is international arbitration and litigation, known in the doctrine of international law as legal remedies.

Diplomatic methods of peaceful resolution of international disputes are carried out through diplomatic channels or through political representatives of states and international organisations. They seek to reconcile the interests of the parties to the dispute, but not necessarily to satisfy in all respects the international legal requirements or the requirements of truth and justice. At the same time, the decisions reached in this way are not legally binding in themselves, unless they take the form of an agreement between the parties to the dispute (Brownlie, 2009).

4.2. Ukraine's Economic Diplomacy

For a long time, Ukrainian diplomacy has occupied a rather insignificant position on the world stage. However, since the outbreak of hostilities on February 24, 2022, Ukrainian diplomacy has reached a new level, not least due to the unprecedented

attention of the international community caused by the fighting throughout Ukraine.

In the context of hostilities, despite the fact that priority is given to military affairs and military means of resolving the conflict, diplomacy becomes the main means of supporting the country in a difficult military situation. Even before the active phase of hostilities began, the value of the assistance received through active work with allies already exceeded tens of millions of hryvnia. However, the attention of all the world's media means not only significant influence on the global stage, but also incredible responsibility. It's no secret that diplomacy is an extremely delicate and cautious business, as any careless step, statement or gesture can have an exorbitant price, especially in times of national crisis.

The prolonged decline of Ukraine's diplomatic craft, which lasted until 2021, led to the fact that some representatives of Ukraine's diplomatic corps, who had long remained outside the media, to some extent lost their sense of duty, diplomacy and caution (Ivashchuk, Zapukhlyak, Ivashchuk, 2022).

Another problem of Ukrainian diplomats today is their narrow specialisation. In addition to the complex art of diplomacy, an official must understand the incredibly wide range of aspects with which he or she has to work. After all, as a representative of the state, an ambassador has to promote cultural, economic, scientific and, especially, military cooperation, which in most cases requires special training, not to mention the sensitivity of arming a country at war.

The specifics of Ukraine's economic diplomacy were determined by several powerful factors: the lack of political and economic subjectivity and Ukraine's long isolation from direct interaction with global economic centres and centres of power, so it did not have the task of pursuing economic interests, as was typical for other sovereign and self-sufficient states. After gaining independence, Ukraine itself became the author and implementer of the national economic development strategy, and economic diplomacy actors became equal participants in the diplomatic process (Fedorova, 2022).

However, after Russia's full-scale invasion of Ukraine and occupation of its productive territories, the tasks of economic diplomacy have changed dramatically. There is an urgent need to engage the international community in addressing economic challenges that are unusual in peacetime:

- Search for resources to counter military aggression;
- accumulation of resources for economic recovery;
- provision of food for the population and the army;
- ensuring that the population and the army are supplied with essential goods;
- supply of weapons and equipment;
- attraction of economic assistance to fulfil the state's obligations;

- promotion of innovative renewal of defence industries;
- initiation of economic sanctions regimes;
- raising funds to repair damaged critical infrastructure facilities;
- restoration of economic ties severed by the war;
- searching for support (mine clearance and unblocking of ports and roads) to fulfil its global and international obligations and implement international economic agreements;
- use of economic levers of influence on neutral and hostile countries (Tatarenko, 2022).

Thus, economic diplomacy is taking on a military tone and focusing on solving specific problems related not only to the movement of goods, price levels and inflation.

Thanks to the efforts of economic diplomacy, after the introduction of martial law, most small and medium-sized businesses that could not continue to operate under their own programmes and reoriented their work to military needs, despite the fact that constant power and water outages limit the stable operation of enterprises and businesses, thanks to the established supply of relevant equipment, were able to establish operations and were able to receive military and economic assistance (in the form of means of production, technology, the latest spare parts, communications, and so forth).

In this context, an important task of diplomacy was to convey accurate information about military events and prevent disinformation from the enemy. Reliable information about economic problems in Ukraine contributed to the formation of economic assistance and mobilisation of economic potential to solve these problems.

World diplomacy has focused on the implementation of sanctions measures initiated by Ukrainian diplomacy, which, although it excludes interference in military operations, directly affects the economic situation of the aggressor country. Therefore, the country's defence is carried out not only at the frontline, but also at the international level.

International relations regulate the competition between states and manage potential threats and their optimal resolution. Economic diplomacy is important not only during a conflict, but also after it. It plays an important role in restoring the country's infrastructure, helping to restructure the economy, introduce international standards and strengthen economic relations between countries, for which economic diplomacy has already created a solid foundation.

For Ukraine, diplomacy is a tool to defend its authenticity and support its aspirations for peace and economic prosperity (Palagusynets, 2020). Ukrainian diplomacy is also a frontline for defending Ukraine, helping it to defend itself in the international arena and to expand and maintain international relations with other countries.

5. Conclusions

The dynamics of the modern world, globalisation and interdependence of countries have significantly changed the information and communication function of diplomacy (development of communication means), which, on the one hand, is to inform the opposite party about the official position, and on the other hand, to receive similar information from it, as well as to exchange views.

The ways of resolving international disputes and conflicts are diverse. This is due to the wide range of conflicts that arise between states. Peaceful means of dispute settlement represent a wide range of tools for use by the parties, taking into account the specifics of particular disputes and the body that resolves them. Chapter VI of the UN Charter deals with methods and procedures for the peaceful settlement of disputes and divides them into three categories: diplomatic, judicial and institutional. Diplomatic methods involve attempts to resolve disputes either by the parties themselves or with the help of other entities. Judicial methods involve the resolution of disputes by courts, both judicial and arbitration. Institutional methods include recourse to the United Nations or regional organisations to resolve disputes.

The main disadvantage of diplomatic methods of dispute resolution is that the parties are not legally bound to accept settlement offers. Judicial methods of dispute resolution are preferable because they provide for binding decisions, not just recommendations, as in the case of diplomatic methods. It is this binding force of the decisions rendered at the end of judicial methods that distinguishes these methods from other dispute resolution methods.

Today, there is a need to codify the practice of international dispute resolution, to develop effective

procedures, and to have an adequate system of ways to resolve international disputes. The absence of such a mechanism for cooperation between subjects of international law makes it difficult to resolve international disputes.

The Russian Federation's armed aggression against Ukraine has become a real challenge not only for Ukraine's diplomacy, but also for global diplomacy. Obviously, any war is a defeat for diplomacy. Ukraine is still forced to repel not only military but also diplomatic attacks. Assessing the weaknesses of Ukraine's diplomacy, experts believe that the lack of a strategic vision of foreign policy (81%), lack of attention to personnel issues (61%), and insufficient coordination between government agencies (44%) are the most important obstacles to effective foreign policy. Naturally, more than half of the respondents (51%) also believe that Russia's external aggression also harms the effectiveness, but as can be seen, a significant number of problems are within the structure of the country's diplomatic service (Kyridon, 2023).

For this reason, economic diplomacy is an effective mechanism for strengthening international partnerships and developing public-private partnerships to ensure socio-economic development and progress, stimulate export promotion of goods and services to global markets and export diversification, create a positive investment image of the country, and improve its tourist attractiveness.

For Ukraine, the role of economic diplomacy has been growing over the past year, so its basic concepts require further research and systemic vision, implementation of institutional formation of the state's communication policy and establishment of strategic communications, promotion of priority components of image policy, etc.

References:

- Bezrukova, N. V. (2015). World's trade wars: features and consequences. *Efektivna ekonomika*, vol. 6. Available at: <http://www.economy.nayka.com.ua/?op=1&z=4153>
- Denécé Éric (2011). Diplomatie économique et compétition des États. *Géoeconomie*, vol. 56, pp. 71–78. Available at: <https://www.cairn.info/revue-geoeconomie-2011-1-page-71.htm>
- Flissak, K. A. (2012). Globalization and the new challenges for economic diplomacy. *Economic Annals-XXI*. Available at: <http://ea21journal.world/wp-content/uploads/2022/04/ea-V118-03.pdf>
- Bayne, N., & Woolcock, S. (2002). *The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations*. Aldershot: Ashgate.
- Cooper, A. (2015). *The Oxford Handbook of Modern Diplomacy* / ed. by A. F. Cooper, J. Heine, R. Thakur. Oxford: OUP Oxford.
- Badie, Bertrand. (2013). The diplomacy of connivance. The oligarchic derivatives of the international system. The imperative of governance. *La Découverte*. Available at: <https://www.cairn.info/la-diplomatie-de-connivance--9782707176660-page-157.htm>
- Guilbaud, Auriane. Diplomacy by Non-State Actors. Available at: <https://www.springerprofessional.de/en/diplomacy-by-non-state-actors/17367914>
- G. von Bergeijk P. A. (2011). *Economic Diplomacy: Economic and Political Perspectives* / ed. by P. A. G. von Bergeijk, M. Okano-Heijmans, J. Melissen – Leiden: Martinus Hijhoff Publishers. 229 p.
- Szatlach, Maria Ewa (2015). The importance of economic diplomacy in the era of globalization (the case of China). Available at: <https://repozytorium.ukw.edu.pl/handle/item/4200>

- Kravchuk, N., & Lutsyshyn, O. (2021). Financial diplomacy in interdisciplinary discourse. *World of Finance*, vol. 2 (67), pp. 129–144.
- Sharov, O. M. (2019). Economic diplomacy: foundations, problems and prospects: a monograph. National Institute of Strategic Studies. Kyiv: NISD.
- Bilorus, O. G. (2016). The Global Diplomacy's Imperatives under Conditions of Global Convergence. *Scientific Bulletin of the Diplomatic Academy of Ukraine. Series "Economic Sciences"*, vol. 23, p. 129.
- Kyridon, A. M. (2023). Diplomacy: space for functioning in the conditions of the challenges of the 21st century. Diplomacy in international relations: retrospection and modernity: Collection of materials of the All-Ukrainian scientific and practical conference with international participation. National Aviation University, February 24. Kyiv: NAU. Available at: <http://surl.li/gvdnz>
- Yunak, A. (2013). The role of the media diplomacy in foreign policy strategies of Ukraine. *National Technical University of Ukraine Journal. Political science. Sociology. Law*, vol. 3, pp. 48–52.
- Zhelikhovskiy, S. (2018). Importance of diplomacy for human civilization: retrospect and modernity. Available at: <https://economistua.com/znachennya-diplomatiyi-dlya-lyudskoyi-tsvilizatsiyi-retrospektiva-i-suchasnist>
- Asiryanyan, S. R., & Horlova, O. Yu. (2017). International dispute and peaceful means of its resolution. *Comparative and Analytical Law*, vol. 4, pp. 325–328.
- Banchuk-Petrosova, O. V. (2020). Diplomacy in the mechanism of international territorial disputes settlement. *International Relations: Theory and Practical Aspects*, vol. 5, pp. 9–21.
- Rokocha, V. V., & Horbachuk, O. I. (2019). Location of economic diplomacy in the system of economic security of the state. *Scientific Notes of the University "KROK"*, vol. 2 (54), pp. 110–118.
- Horbachuk, O. I. (2017). Economic diplomacy in ensuring the economic security of the state. Dissertation for the degree of Candidate of Economic Sciences, majoring in 21.04.01 – Economic Security of the State (Economic Sciences). "KROK" University. Kyiv.
- Mehmet, Ali Özçobanlar (2022). Türkiye's Economic Diplomacy: Enhancing the Impact and Coherence of Türkiye's External Actions as an Emerging Strategy. *Studia Europejskie – Studies in European Affairs*. Available at: <https://journale.com/turkiyes-economic-diplomacy-enhancing-the-impact-and-coherence-of-turkiyes-external-actions-as-an-emerging-strategy/>
- Kukharyk, V. V., & Lypych, S. V. (2022). Problems of economic diplomacy of Ukraine implementation. Available at: https://evnuir.vnu.edu.ua/bitstream/123456789/21959/3/conf_Lutsk_zhovt22_68-69.pdf
- Charter of the United Nations (adopted in San Francisco on June 26, 1945). Available at: https://zakon.rada.gov.ua/laws/show/995_010#Text
- Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations (adopted by Resolution 2625 (XXV) of the UN General Assembly dated November 24, 1970). Available at: https://zakon.rada.gov.ua/laws/show/995_569#Text
- Merrills, J. (2010). The Means of Dispute Settlement. *International Law*; ed. M. D. Evans. Oxford University Press, pp. 559–585.
- Degan, V. D. (2017). *International Conciliation: Its Past and Future / Völkerrecht und Rechtsphilosophie*; red. P. Fischer, H. F. Köck, A. Verdross. Berlin, pp. 261–286.
- Brownlie, I. (2009). The Peaceful Settlement of International Disputes. *Chinese Journal of International Law*, vol. 2, pp. 267–283.
- Tatarenko, N. O. (2022). Autarky and economic sanctions in economic wars. XIII International scientific and practical conference "National economic development strategies in a global environment", May 26: Collection of theses. Kyiv: NAU, pp. 33–35.
- Palagushynets, R. V. (2020). The role of the diplomatic service in the formation of effective state governance of the country's foreign policy. *Efektivna ekonomika*, vol. 2. Available at: http://www.dy.nayka.com.ua/pdf/2_2020/40.pdf
- Fedorova, H. (2022). The Role of Diplomacy during Martial Law. *Grani*, vol. 25, no. 5.
- Ivashchuk, I., Zapukhlyak, V., & Ivashchuk, O. (2022). Economic diplomacy as a determinant of economic progress and a strategic priority for the development of countries. *The Institute of Accounting, Control and Analysis in the Globalization Circumstances*, vol. 3–4. Available at: <http://ibo.wunu.edu.ua/index.php/ibo/article/view/551/>
- Patlashynska, I. V. (2022). Analysis of the ways of peaceful settlement of international disputes: a response to modern challenges. *Juridical Scientific and electronic journal*. DOI <https://doi.org/10.32782/2524-0374/2022-9/140>
- Myronova, M. (2023). Scientific diplomacy in the trade and economic relations system of Ukraine and the European Union. *Economy and Society*, vol. 53. DOI: <https://doi.org/10.32782/2524-0072/2023-53-16>
- Ishchuk, Y., & Bila, I. (2023). Attraction of foreign investments using the economic diplomacy tools. *Galician economic journal*, vol. 4 (83). Available at: https://elartu.tntu.edu.ua/bitstream/lib/42645/2/GEJ_2023v83n4_Ishchuk_Y-Attraction_of_foreign_investments_152-158.pdf
- Yakovyuk, I. V., & Bilousov, E. M. (2022). National security of Ukraine in the conditions of new challenges to European and Euro-Atlantic solidarity: monograph. Kharkiv: IE Ruban V.V., 148 p.

Received on: 09th of October, 2023

Accepted on: 24th of November, 2023

Published on: 28th of December, 2023