





Constantine Flissak, Doctor of Economic Sciences, Associate Professor, Professor of the Department of International Law and Migration policy, Faculty of Law, West Ukrainian National University (Ternopil, Ukraine)  

Oleksandr Dziubliuk, Doctor of Economic Sciences, Professor, Head of Department of Banking, Faculty of Finance and Accounting, West Ukrainian National University (Ternopil, Ukraine)  

MODERN ECONOMIC DIPLOMACY AND PROBLEMS OF EVALUATING ITS EFFECTIVENESS

***Abstract.** The paper deals with issues and problems of evaluating of efficiency of economic diplomacy. The article analyzes the available research on this issue, highlights the main approaches and methods to assessing the effectiveness of economic diplomacy. In the process of analysis, both positive and negative aspects of each of these methods are identified. There is a new methodology for analyzing the effectiveness of economic diplomacy proposed, which would be based on the study of the interconnection between budget financing of diplomatic activities and the results of a country's foreign economic activity. The author's recommendations are given, which can be used as a bases for both further scientific research and the development of practical measures aimed at improving the given sphere.*

***Keywords:** economic diplomacy, international economic relations, state support of business*

Introduction

The development of international economic relations constantly implies the existence of a tough competition among their participants. In such conditions, economic entities are forced to look for tools and ways to obtain additional advantages against their competitors. In the realities of the XXI century, one of the most effective means of such support of business is economic diplomacy. Despite the fact that it is now the object of attention from both theorists and practitioners, a number of its conceptual foundations continue to be the basis for a rather acute scientific controversy.

Actually the category "economic diplomacy" in recent years has been actively considered by a number of scientists from different countries of the world. Particularly we can name the works of number of authors, including N.Bayne, S.Woolkock (2007), V.Vergun (2010), A.Filipenko (2008), O.Bilorus (2016), D.Degtarev (2010), G.Carron de la Carriere

(2003), T.Zonova (2005), A.Likhachev (2006), E.Molendowski, W.Polan (2007), V.Schetinin (2001), M.Yankiv, A.R.Kozłowski (2020) and others. In particular, these scientists consider various aspects of the essence of the category "economic diplomacy", analyze the mechanisms of its use in different countries of the world, summarize the common features of such practice, forming a common basis for consideration and further research of this problem.

One of the most successful definitions of economic diplomacy, which we will rely on in the next study, is as follows. Economic diplomacy is an interrelated and joint activity of state authorities, multi-level business structures, financial and economic institutions, non-governmental and international organizations, aimed at defending their own economic interests, ensuring competitive advantages, creating favorable conditions in foreign economic activity both for the national economy as a whole and for its individual subjects, strengthening existing and forming new positive socio-economic results using diplomatic mechanisms and tools. This definition of the category of economic diplomacy of a country in the context of identifying its place in the system of economic science is focused on eliminating: firstly the heterogeneity of interpretations with a shift in understanding of its object and subject to other branches of science; secondly, deformation of the practical potential of using diplomatic tools to implement strategic goals of export-import and financial activities of the state. We have proved that such a definition of the category "economic diplomacy" reveals the essence of an object, phenomenon or process and, as an abstract generalizing concept, reflects the system of economic relations between multi-level subjects (Yankiv and others, 2020, Flissak, 2016).

1. Existing methodology for assessing the effectiveness of economic diplomacy and its disadvantages.

It is important to note that the implementation of theoretical generalization and justification of methodological foundations, necessary methodological approaches and development of applied solutions for Ukraine's foreign economic integration into the world economy based on the use of economic diplomacy will be incomplete in the absence of an assessment of the effect of economic diplomacy providing. The main problem here is the choice of an adequate, effective, relevant and relatively easy-to-apply methodology for calculating the results of using economic diplomacy tools. It should be noted that, such a methodology has not yet been recorded in scientific sources, despite the long-term use of diplomatic tools by various states to support national interests in the international arena, guarantee of economic security in all its displays, promotion own business on world markets, as well as extensive practical experience accumulated by representatives of different countries.

We can assume that there are several reasons for this:

firstly, the use of diplomatic mechanisms for economic purposes is not always explicit: individual contacts between representatives of the diplomatic environment and business entities or state authorities of the host country may not have a pronounced economic meaning and content, although in the future they are transformed into specific contracts in trade, investment, cooperation or other areas;

secondly, if we accept as apriori the thesis that there is a direct connection between diplomatic actions and their economic results, then such activity is not recorded in sufficient volume in the form of summaries or any other reporting materials that would later be subject of statistical generalization and processing; in some cases (for example in Poland), an approximate calculation of the activities carried out is done, but even then there is no direct connection between the action and its financial or economic result. This makes it impossible for researchers of economic diplomacy to use an adequate and reliable statistical base, and therefore to offer formulas for calculating the effectiveness of such activities, which would be based on direct relationships that are common for other branches of economic science between the efforts spent on the preparation and implementation of a separate business project or foreign economic operation and their results;

thirdly, information on the number of personnel employed in diplomatic structures (including economic divisions) of different countries is mostly in the nature of official information that is not publicly available, or is displayed in approximate values;

fourthly, information about the sphere of commercial diplomacy (this term often refers to efforts aimed at supporting commercial activities at the level of individual business units) is absent due to the fact that almost all contains commercial secrets of individual business entities;

fifthly, summarizing the experience of economic diplomacy research, it can be argued that the processes in this area mostly occur unevenly and with regularities that are difficult to be formalized by the standpoint of mathematical instruments.

Moreover, all this applies not only to the economic diplomacy of Ukraine, but also to other countries of the world that use it on a full scale. This forces researchers to look for models that would allow us to answer the question of the effectiveness of economic diplomacy and justify decisions on its further improvement based on the use of mathematical methods and economic and mathematical models.

Noteworthy is the attempt by Mina Yakop and Peter A.G. van Bergeijk to determine the influence of diplomatic structures on the country's foreign trade flows based on the use of the gravity model of foreign trade (Yakop, van Bergeijk, 2009). Taking as a basis the gravitational model in the simplest form as in (1), they modified it by introducing variables into the equation that, in their opinion, can be significant in determining the influence of economic and commercial diplomacy on the formation of state export flows as in (2). For our research, it is fundamentally important to consider the methodology used by P.van Bergeijk and M.Yakop, so here we present the named formulas in full:

$$E_{ij} = Y_i^\alpha Y_j^\beta D_{ij}^\gamma \quad (1),$$

here $\alpha > 0$, $\beta > 0$, $\gamma < 0$, while E_{ij} – export from country i to country j ;

$$\ln(X_{ij}) = \beta_0 + \beta_1 \ln D_{ij} + \beta_2 \ln(Y_i) + \beta_3 \ln(Y_j) + \beta_4 \ln(Pop_i) + \beta_5 \ln(Pop_j) + \beta_6 Lang_{ij} + \beta_7 Cont_{ij} + \beta_8 Landl_{ij} + \beta_9 \ln(Area_i \times Area_j) + \beta_{10} Col_{ij} + \beta_{11} CU_{ij} + \beta_{12} FTA_{ij} + \gamma EmbCon_{ij} + \varepsilon_{ij} \quad (2)$$

where i denotes the exporter, j – the importer, and the next variables: X_{ij} is merchandise export in USD for given year, from i to j ; $EmbCon_{ij}$ is the number of embassies and consulates (including other official foreign missions), that i has in j ; D_{ij} is the distance between i and j ; Y_k is GDP per capita, for $k=\{i, j\}$; Pop_k is average population (in millions of people), for $k=\{i, j\}$; $Area_k$ is the area of the country (in square kilometres), $k=\{i, j\}$; $Lang_{ij}$ is 1 if i and j have a common language, 0 otherwise; $Cont_{ij}$ is 1 if i and j share a land border, 0 otherwise; Col_{ij} is 1 if i and j are colonies or shared a colonial relationship, 0 otherwise; CU_{ij} is 1 if i and j use the same currency, 0 otherwise; FTA_{ij} is 1 if i and j belong to the same regional trade agreement, 0 otherwise; $Landl_{ij}$ is the number of landlocked countries in the country-pair: 0 if both i and j are not landlocked, 1 if either i or j is landlocked, and 2 if both i and j are landlocked; and the E_{ij} is the error term (Yakop, van Bergeijk, 2009).

According to these authors, such a methodology will allow determining the effectiveness of export promotion, provided that it is properly supported by diplomatic assistance. However, the developers of this model themselves note that the use of the gravitational model in the economy remains a controversial issue, which has both its supporters and opponents. In addition, M.Yakop and P.van Bergeijk note that as additional time periods will be included in the calculations according to (2), the obtained results will change, and the model itself will require correction (Yakop, van Bergeijk, 2009).

In our opinion, this model cannot be fully used to assess the impact of economic diplomacy on foreign economic activity of the state. The grounds for this conclusion are the following arguments. First of all, the controversial aspect of using the gravitational model for

the sphere of economic diplomacy is related to the fact that, according to A.Kaukin and G.Idrisov (Kaukin, Idrisov, 2013), there are a significant number of scientific articles in which this model or its derivatives were used either without strict theoretical justification (e.g. (Geraci, Prewo, 1977, Poyhonen, 1963), or for the purpose of searching with a known (given) result, which they tried to confirm econometrically (e.g. Anderson, 1979, Bergstrand, 1990). Second, it was tested on data from a narrowed time interval (from 2002 to 2006), after which the world economy underwent significant changes as a result of the global crisis that began in 2008. At the same time, the influence of crisis factors on the given processes was not studied. Third, the coefficient of determination (R^2), which was recorded in their calculations by M.Yakop and P.van Bergeijk, is in the range of 0.49–0.77. This may indicate, on the one hand, that there is a certain relationship between the factors included in their version of the equation of the gravitational model (2), but on the other hand, in our opinion, there are good reasons to assume that, with relatively acceptable values of R^2 ($0.5 \leq R^2 \leq 0.8$), there is a disregard for the criteria of logic and adequacy of the constructed model. This means that there is no direct correlation between such factors as the area of a country, its average population, and foreign economic activity results. Moreover, the latter are not limited to purely commodity exports, but also include trade in services, the movement of investment capital, and so on. At the same time, such essential criteria as the level of the customs tariff, the degree of openness of the economy, the level of development of the country's economy, and some others are ignored.

The next hypothesis for determining the effectiveness of economic diplomacy is based on comparing the number of foreign diplomatic missions of the state or the number of diplomatic personnel involved in them with the quantitative results of the country's foreign economic activity. This is exactly the way went by M.Kostecki, O.Naray (Kostecki, Naray, 2007), H.Ruel, L.Zuidema (Ruël, Zuidema, 2012).

Thus, M.Kostecki and O.Naray focused on the number of foreign missions of countries that occupy a significant share in global trade (according to the WTO data), and the number of personnel (for those countries where such data is publicly available) (Kostecki, Naray, 2007). Agreeing with the conclusions they have drawn regarding the importance of economic and commercial diplomacy in promoting of business interests on the world stage, we should note a significant drawback, in our opinion. We mean the purely declarative nature of the thesis about the need to determine the effectiveness of economic diplomacy, which in the future is not confirmed in the form of empirical calculations, and the quality of work of diplomats depends on the data on the distribution of working hours of the relevant personnel, which were obtained

through a questionnaire survey. This circumstance indicates a pronounced subjective nature of the results obtained, and therefore limits the possibility of their use in the future.

In order to verify the existence of a connection between the number of foreign missions and the personnel employed in them and the country's share in World Trade, we determined correlation coefficients for the data provided in their study by the above authors (Kostecki, Naray, 2007). So, for the connection between the number of diplomatic institutions and the country's share in world trade $r = 0.519$, and for the number of personnel involved and the country's share in world trade $r = 0.634$. This could indicate that there is a direct connection of medium intensity, if not for three comments: first, a small number of countries for which data are given and even less of them in terms of diplomatic personnel, that can distort the result obtained if it is extended to other countries; second, in calculations using this method, the factor of dynamism and variability of world market conditions, and therefore the share of countries on them, is completely excluded; third, in modern international relations, the number of foreign missions and the number of personnel involved in them for country and inside the country is not constant.

Another confirmation of the correctness of our conclusions is an attempt to test this hypothesis on foreign economic contacts between Ukraine and the United States. The partner country for these calculations was chosen based on the share of its trade in global values, its role in international economic relations and the specifics of American economic diplomacy, which pays attention even to countries which share in American foreign trade and investment activities is relatively insignificant. Comparing the number of American economic diplomats in Ukraine for the period from 2008 to the present with the dynamics of export-import flows of goods and services, as well as with foreign trade turnover (the total value was calculated, as well as separately for goods and services), we obtained the corresponding correlation coefficients. Their value ($r = [-0.57, 0.10]$) indicates that there is no connection between the given numbers. Moreover, some obtained coefficients have negative values. From a mathematical point of view, the value of the correlation coefficient between the number of diplomats involved and the foreign trade turnover of services between the United States and Ukraine ($r = -0.82$) cannot serve as a basis for concluding that there is a strong inverse connection between these data. The reason for this is the influence of other factors that led to a slowdown in export-import operations for trade in services between the United States and Ukraine, while the growth of American diplomatic personnel involved by the United States to maintain economic contacts between states. Thus, the possibility of mechanically determining

the effectiveness of economic diplomacy based only on the number of diplomatic personnel in a country is extremely doubtful.

A some similar point of view is held by H. Ruel and L. Zuidema (Ruël, Zuidema, 2012). They put forward their comments on the research carried out by M. Kostetsky and O. Naray, but also agree with the fact that it can serve as a theoretical basis for further steps in this direction. Focusing on the problems of the micro-level of economic diplomacy and using the tools of correlation and regression analysis, the authors attempted to determine the factors which influence is significant for the quality of commercial diplomacy. Among the factors that in their opinion are significant here, they included the business experience of entrepreneurs engaged in foreign economic activity, their professional education, experience in foreign markets, the presence of a business network of the firm and a support network with the participation of governmental and non-governmental structures of their state, the firm's willingness to use the tools of economic and commercial diplomacy for their own purposes, and so on. The results obtained show that the highest value of the coefficient of determination R^2 is achieved for the model with the inclusion of the last of the listed factors.

In our opinion, this approach will have a number of disadvantages, the main of which will be the following. Firstly, ignoring the fact that the coefficient of determination R^2 increases with a mechanical increase in the variables used in the calculated model, even if such variables may have a distant relation to the variable explained. Secondly, the initial data were obtained by conducting a questionnaire survey of 140 subjects of foreign economic activity in the Netherlands (and only 110 of them answered all the survey questions), which also gives such data a pronounced subjective character and makes the final results unsuitable for further use into the Ukrainian practice of economic diplomacy.

2. Effectiveness of a country's economic diplomacy in relation to its state financing.

Thus, to assess the effectiveness of economic diplomacy, for example, Ukraine, it is necessary to take into account other factors which would meet the following criteria: first, they would be objective in nature (that is, they would not depend on the subjective point of view of an individual respondent, interviewer, random nature of the sample or the organizer of the survey), they would also have a quantitative measurement and are subject to evaluation using economic and mathematical methods, and finally, they would be relevant to the processes of economic diplomacy.

In our opinion, among the data that somehow relate to the scope of this study and would fully meet these requirements, first of all, we should mention state expenditures on the

functioning of the mechanism of economic diplomacy of Ukraine (meaning financing from the state budget). The reason for this choice is that it is from this source that the functioning of national state authorities is provided, as well as support is provided to non-state components of the mentioned mechanism. In addition, the laws of Ukraine for the relevant years regularly fixed the provision that the financing of expenses related to the maintenance of diplomatic missions, consular offices of Ukraine abroad and their employees, regardless of their departmental subordination, is carried out exclusively through the Ministry of foreign affairs of Ukraine.

To assess the impact of government spending on the results of foreign economic activity and check the relationships between them, we have formed a correlation matrix (table 1). The quantitative results of such activities include the following indicators: GDP of Ukraine, export of goods and services, their import, foreign trade turnover in general and separately for goods and services, the amount of accumulated foreign investment in the economy of Ukraine and Ukrainian-abroad. In order to increase the reliability of the calculated data, these indicators for the period 2002-2019 were used.

Table 1.

Correlation matrix for macroeconomic indicators and results of foreign economic activity of Ukraine for 2002-2019

Correlations Marked correlations are significant at $p < 0.05000$ N=18 (Casewise deletion of missing data)													
Variable	Sample average (Means)	Standard deviation (Std.Dev.)	Budget expenditures	GDP	Export of goods	Export of services	Import of goods	Import of services	FTO (goods)	FTO (services)	FTO	FDI (in)	FDI (out)
Budget expenditures	153,6	35,98	1,000000	0,739155	0,689593	0,668726	0,748938	0,645139	0,725008	0,661853	0,720888	0,519722	0,485690
GDP	100839,0	55050,04	0,739155	1,000000	0,981807	0,963284	0,988574	0,964340	0,988177	0,966526	0,990202	0,842077	0,791288
Export of goods	38960,5	20191,74	0,689593	0,981807	1,000000	0,963000	0,989534	0,951266	0,996650	0,961443	0,997106	0,853388	0,810694
Export of services	8090,2	3892,58	0,668726	0,963284	0,963000	1,000000	0,949243	0,987438	0,957689	0,998242	0,966948	0,944437	0,904044
Import of goods	44166,3	26259,25	0,748938	0,988574	0,989534	0,949243	1,000000	0,935470	0,998021	0,946880	0,996594	0,810527	0,783655
Import of services	3897,0	2326,02	0,645139	0,964340	0,951266	0,987438	0,935470	1,000000	0,944769	0,995068	0,955124	0,943186	0,888880
FTO (goods)	83126,8	46331,37	0,725008	0,988177	0,996650	0,957689	0,998021	0,944769	1,000000	0,955671	0,999390	0,831299	0,797462
FTO (services)	11987,2	6200,28	0,661853	0,966526	0,961443	0,998242	0,946880	0,995068	0,955671	1,000000	0,963369	0,946758	0,901026
FTO	95114,0	52288,68	0,720888	0,990202	0,997106	0,966948	0,996594	0,955124	0,999390	0,965369	1,000000	0,848853	0,813448
FDI (in)	24087,4	20483,52	0,519722	0,842077	0,853388	0,944437	0,810527	0,943186	0,831299	0,946758	0,848853	1,000000	0,935075
FDI (out)	2960,2	3224,97	0,485690	0,791288	0,810694	0,904044	0,783655	0,888880	0,797462	0,901026	0,813448	0,935075	1,000000

where: Budget expenditures denotes the sum of items of the state budget of Ukraine aimed at ensuring external contacts that can be attributed to the system of economic diplomacy; GDP – gross domestic product of Ukraine; export (import) of goods (services) – the amount of export (import) of goods (services) of Ukraine; FTO (goods) – foreign trade turnover of Ukraine in trade in goods; FTO (services) – foreign trade turnover of Ukraine in trade in services; FTO – total foreign trade turnover of Ukraine; FDI (in) – income of foreign direct investment in Ukraine; FDI (out) – Ukrainian direct investment abroad.

As can be seen from the table. 1, the reliability of the significance level is less than 0.05, which allows us to draw a conclusion about the significance of the results. First of all, we are

interested in the correlation coefficients between state budget expenditures on external activities and other indicators included in the calculation.

In order to verify the results obtained, we have formed scatter plots for connections that are of direct interest to this study and confirm our hypothesis that there is a partial relationship between the considered indicators (Fig. 1 and Fig. 2). At the same time, the corresponding scatter plot can be used to record the weak impact of financing Ukrainian economic diplomacy on attracting foreign direct investment in the country's economy (Fig. 3).

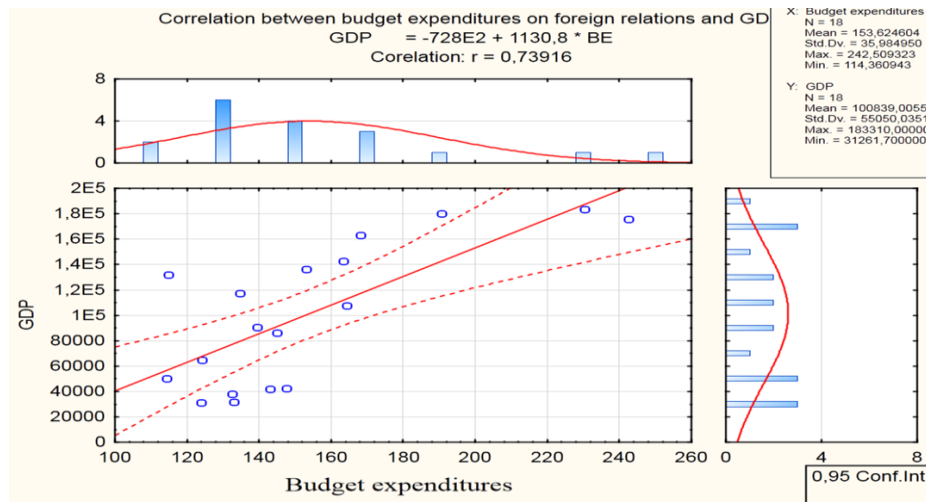


Figure 1. Scatter plot GDP relative to expenditures of the state budget of Ukraine on external activities

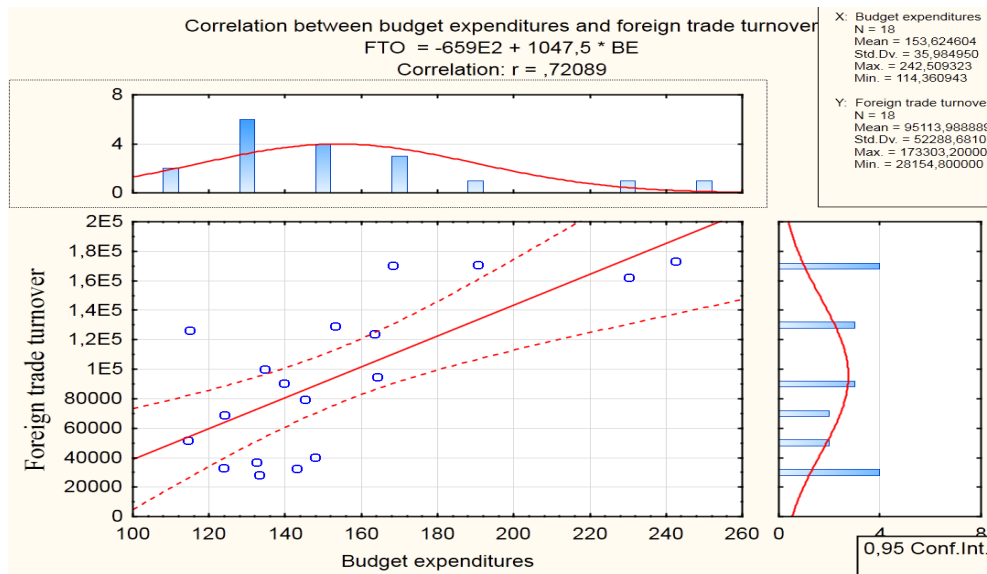


Figure 2. Scatter plot of foreign trade turnover in relation to expenditures of the state budget of Ukraine on foreign activities

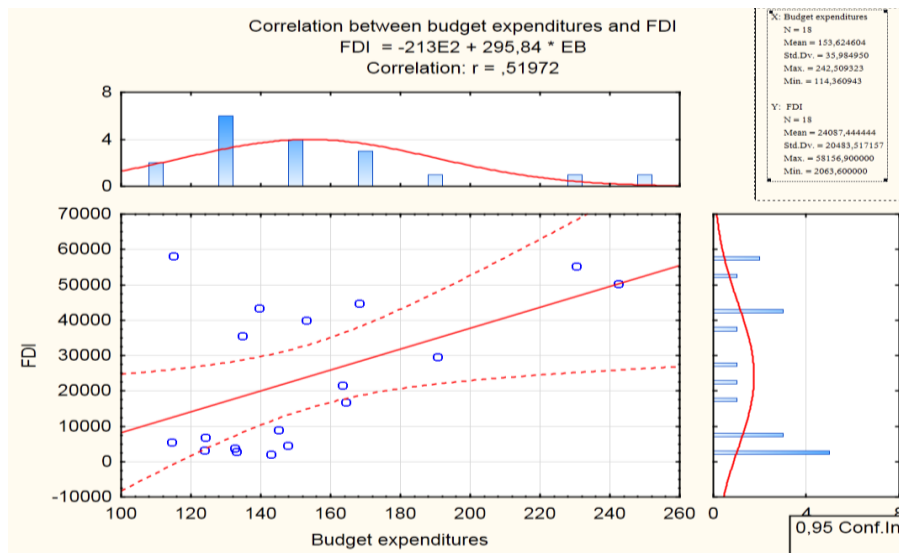


Figure 3. Scatter plot of foreign direct investment in the economy of Ukraine in relation to expenditures of its state budget on foreign activities

In addition, based on the calculations performed, it is possible to form a system of econometric models of the results of foreign economic activity in Ukraine, depending on the amount of budget allocations intended to finance the components that we refer to the mechanism of economic diplomacy (table. 2). It should be noted that models for foreign investment processes were not calculated here due to the relatively low values of correlation coefficients ($r = 0.52$ and 0.49) and a significant scattering of dynamic series values (Fig.3).

Thus, we have clarified the nature of functional links between the amount of funding for economic diplomacy mechanisms and the results of foreign economic activity in Ukraine.

Table 2.

A system of econometric models of dependence of the results of foreign economic activity on the volume of corresponding budget allocations

	econometric models	R ²	F
GDP	$Y_1 = -72874,38 + 1130,8 \times X$	0,5464	19,2696
Export of goods	$Y_2 = -20483,3 + 386,9 \times X$	0,4755	14,5074
Export of services	$Y_3 = -3022,674 + 72,338 \times X$	0,4472	12,9432
Import of goods	$Y_4 = -39792,807 + 546,521 \times X$	0,5609	20,4388
Import of services	$Y_5 = -2509,256 + 41,701 \times X$	0,4162	11,4068
Foreign trade turnover of Ukraine in trade in goods	$Y_6 = -60276,077 + 933,463 \times X$	0,5256	17,7294
Foreign trade turnover of Ukraine in trade in services	$Y_7 = -5531,93 + 114,039 \times X$	0,4381	12,4722
Total foreign trade turnover of Ukraine	$Y_8 = -65808,007 + 1047,502 \times X$	0,5197	17,3111

where: Y_1 - Y_8 – dependent variables, X – the amount of budget allocations intended to finance the mechanism of external relations and economic diplomacy, R^2 – coefficient of determination, F – Fisher's criterion

Note that the econometric models calculated by us meet the necessary significance criterion, and not the highest values of the coefficients of determination confirm our thesis about the heterogeneous nature of processes in this area, which mostly occur unevenly, often inconsistently and with difficult to grasp patterns, and are also affected by a significant number of factors that are not subject to transformation into a numerical form without obtaining a subjectivity due to the presence of the human factor. V.P.Gutnik commented on a similar situation: “The model is most often perceived as a formalized (and therefore rather abstract) connection of individual parameters selected according to the degree of relevance, which can be mathematically calculated. In our case, this is the connection of specific and, as a rule, unformalized elements” (Gutnik, 2002). In the context of economic diplomacy, there are grounds to assert that without proper state support, the prospects for Ukrainian export-import, international investment and cooperation activities are extremely doubtful and contradictory, at the same time, a mechanical increase in funds allocated to support these forms of foreign economic activity will not guarantee a directly proportional increase in their effectiveness.

Factors that are unformalized or may be subjective include the state and prospects of state participation in the processes of economic integration, the development of the national economy, the level of development of the mechanism of economic diplomacy and the quality of its personnel support, and so on.

Conclusion

Research and analysis of the problem of evaluating modern economic diplomacy effectiveness give grounds to draw the following conclusions about the relevance and practical solution of the problem of choosing criteria and forming a methodology for considered problem.

Firstly, as a significant component of assessing the effectiveness of economic diplomacy should be considered the use of mathematical methods and economic and mathematical models, on the basis of which it becomes possible to justify decisions on its further improvement. Secondly, the performed economic and mathematical analysis on the example of Ukraine regarding the level of effectiveness of its modern economic diplomacy confirms the inadequate level of allocation and use of funds by the state to finance structures and actions related to the mechanisms of economic diplomacy, as a result, the proper return in the form of foreign economic results is not provided. This is especially evident in the sphere of attracting FDI to the Ukrainian economy. Thirdly the mechanisms of economic diplomacy of Ukraine in their current form do not contribute to the integration of the state both in the world economy in general and in the European Union in particular. At the same time, leaving businesses in difficult

internal conditions without proper support in foreign economic relations is an unacceptable luxury, which can lead to a further reduction in the absolute values of the volume of national goods and services on international markets. Under this condition, the growth of relative indicators of integration activity is not considered a positive feature and does not give grounds to assert the formation of positive trends. Fourthly, the problem of promoting national interests in foreign economic activity in the context of a globalized world economic system and growing competition in international markets is relevant for other countries, and not only in Central and Eastern Europe. At the same time, the economic diplomacy of states, including within the framework of their EU membership, is an important tool for the success of the country's foreign economic policy, ensuring its export expansion in international markets and intensive investment cooperation with foreign investors. At the same time, the issue of evaluating the effectiveness of economic diplomacy continues to be open, since changes in the international business environment and in the tools used by relevant entities lead to modification of both external and internal factors of economic diplomacy. And this, in turn, opens up new opportunities for studying the effectiveness of economic diplomacy in both Ukraine and other states.

Bibliography

1. Anderson J. (1979) "A Theoretical Foundation for the Gravity Equation". *American Economic Review*. vol. 69, no. 1, 106-116.
2. Bayne N., Woolcock S. (2007) *The new economic diplomacy: decision-making and negotiating in international economic relations*. Aldershot: Ashgate publishing Limited.
3. Bergstrand J. (1990) "The Heckscher-Ohlin-Samuelson Model, the Linder Hypothesis, and the Determinants of Bilateral Intra-industry Trade". *Economic Journal*. vol. 100, no. 403, 1216-1229. <https://doi.org/10.2307/2233969>
4. Bilorus O.G. (2016) "Imperatives of economic diplomacy in conditions of global neoconvergence". *Collected Works of the Diplomatic Academy of Ukraine*. Vol. 23 (part 3), 124-130.
5. Degterev D.A. (2010) *Economic diplomacy: economics, politics, law*. Moscow: MGIMO.
6. Filipenko A.S. (2008) "Theoretical basics of economic diplomacy". *Actual problems of international relations*. Vol. 74 (p. 1), 16-17.
7. Flissak K.A. (2016) *Economic diplomacy in the system of providing of national interests of Ukraine*. Ternopil: Novyj Kolir.

8. G. Carron de la Carriere (2003) *Economic diplomacy. Diplomat and the market*. Moscow: Rosspen.
9. Geraci V., Prewo W. (1977) "Bilateral Trade Flows and Transport Costs" *Review of Economics and Statistics*. no. 59, 67-74. <https://doi.org/10.2307/1924905>
10. Gutnik V.P. (2002) *Economic Policy in Germany: Theory and Practice*. Moscow, 2002.
11. Kaukin A., Idrisov G. (2013) "The gravitational model of Russia's Foreign Trade: the case of a large country with a long border". *Economic policy*. № 4, 133-154. <https://doi.org/10.2139/ssrn.2399439>
12. Kostecki M., Naray O. (2007) "Commercial Diplomacy and International Business". *Discussion Papers in Diplomacy*. No. 107, April
13. Likhachev A.E. (2006) *Economic Diplomacy of Russia. New challenges and opportunities in the context of globalization*. Moscow: Ekonomika Publishing House.
14. Molendowski E., Polan W. (2007) *Economic diplomacy*. Krakow: Wolters Kluwer business.
15. Poyhonen P. (1963) "A Tentative Model for the Volume of Trade Between Countries". *Weltwirtschaftliches Archiv*. vol. 90, no. 1, 93-100.
16. Ruël H., Zuidema L. (2012) "The Effectiveness of Commercial Diplomacy: A Survey Among Dutch Embassies and Consulates". *Discussion Papers in Diplomacy*. No. 123, March. [https://doi.org/10.1108/S1877-6361\(2012\)0000009008](https://doi.org/10.1108/S1877-6361(2012)0000009008)
17. Schchetinin V.D. (2001) *Economic diplomacy*. Moscow: "International relations".
18. Verhun V. (2010) *Economic diplomacy*. Kyiv: KNU.
19. Yakop M., van Bergeijk P.A.G. (2009) "The weight of economic and commercial diplomacy" *Working Papers (International Institute of Social Studies)*. № 478, August. <https://doi.org/10.2139/ssrn.1469137>
20. Yankiv M., Flissak K., Kozłowski A.R. (2020) *Diplomacy in foreign economic cooperation*. Warszawa, CeDeWu.
21. Zonova T.V. (2005) "Economic diplomacy". *Foreign economic relations*. Vol. 6, 54-62.