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It is my honour to welcome you to the fourth Conference on Economic Diplomacy and Internationalisation here at the International Centre for Promotion of Enterprises in Ljubljana. As we convene in this historic city that has witnessed the ebb and flow of empires and the birth of a modern European nation, we find ourselves at a particularly compelling juncture in the evolution of international economic relations. We assemble at a moment when the fundamental assumptions that have governed international economic relations for the better part of seven decades are being subjected to unprecedented scrutiny and challenge. The post-war consensus that economic integration necessarily serves both prosperity and peace finds itself tested by the resurgence of economic nationalism, the weaponisation of trade relationships, and the emergence of alternative models of international economic organisation that challenge Western-centric paradigms.

The Contemporary Landscape of Economic Statecraft

The world we inhabit today presents challenges that would have been scarcely comprehensible to the architects of the post-war international order. We witness not merely the traditional interplay of economic interests, but what Julius Sen from the LSE aptly terms "economic statecraft in an unstable world"—a phenomenon that demands our urgent scholarly attention and practical wisdom. As Tom Fletcher in his book *The Naked Diplomat* points out, scaffolding built around the global order is fragile, and the checks and balances created over centuries to protect liberty are being tested, maybe to destruction.

The very foundations of economic diplomacy are being tested by forces both familiar and unprecedented. The Belt and Road Initiative has attracted over 150 countries accounting for two-thirds of the world's population, fundamentally altering the traditional patterns of economic influence that have governed international relations since Bretton Woods. Economic

Diplomacy as China's Strategy in the Arctic Region to support the Polar Silk Road initiative is receiving increasing attention.

The theoretical foundations of our discipline continue to evolve. Recent research demonstrates a positive and significant link between diplomacy and foreign funding, highlighting the importance of this tool for attracting investment and supporting growth in emerging countries. This empirical validation of economic diplomacy's efficacy comes at a time when traditional multilateral frameworks face unprecedented strain. The dark side of economic diplomacy is also being analysed, for example unequal trade agreements, debt traps and weaponisation of tariff regime. where private gain through corporatocracy trumps national interest. Some egregious instances are described in John Perkins's semi-autobiographical bestseller *Confessions of an Economic Hit Man.*

The Transformation of Diplomatic Practice

What we observe today is the emergence of what scholars increasingly term "economic statecraft"—a concept that transcends traditional boundaries between domestic economic policy and international relations. This evolution includes unequal trade agreements, debt traps and weaponisation of tariff regime. It reflects the reality that, as several researchers note, economic diplomacy has garnered escalating attention within the realm of international relations research following the conclusion of the Cold War.

The traditional distinction between commercial and political objectives in diplomatic practice has become increasingly blurred. We see this most vividly in the intersection of technology and statecraft, where artificial intelligence and digital infrastructure have become both instruments of economic development and vectors of strategic competition. The recent emphasis on semiconductor export controls, digital sovereignty, and the regulation of cross-border data flows exemplifies this convergence. Modern diplomats need to discard stuffiness. According to Fletcher, they need to have a thick skin, a sense of humour and agility to navigate this unstable world. One of Fletcher's colleagues suggested that to be effective, we need to stop pretending that we are excellent. In a lighter vein, he suggested that instead of being called excellency, he would prefer to be called 'ordinariency'. Moreover, Fletcher seems to agree with the observations of Ali Alatas, Indonesia's long serving Foreign Minister (1988-1999) that "Diplomacy is too important to be left to the hands of diplomats alone". Economic Diplomacy, especially, requires broadening the scope of diplomatic engagement and recognise the diverse actors and forces shaping the international landscape. Modern world calls for a more inclusive and participatory approach to diplomacy, one that acknowledges the interconnectedness of global issues and the potential for collaboration beyond traditional diplomatic structures.

Regional Dynamics and Global Implications

Our conference takes place against the backdrop of what recent scholarship identifies as fundamentally shifting regional dynamics. The Middle East, where economies have been developing and diversifying business opportunities, has become an attractive destination for international expansion, whilst traditional centres of economic gravity experience their own transformations. The presentations that will be made today—from India's sophisticated navigation of sanctions regimes to the emergence of soft power as a quantifiable economic asset—demonstrate the remarkable adaptability and innovation that characterises contemporary economic diplomacy. These examples remind us that successful economic statecraft requires not merely the deployment of traditional instruments such as trade agreements and investment promotion, but the creative integration of cultural influence, technological capabilities, and strategic positioning within global value chains.

Methodological and Theoretical Challenges

As we advance our understanding of economic diplomacy, we must acknowledge the methodological challenges that contemporary scholarship faces. Indices of assessment of economic diplomacy remain controversial. Recent research on digital diplomacy and economic ties has employed sophisticated sentiment analysis and quantitative methods, yet we still grapple with fundamental questions about causation, measurement, and the relative efficacy of different diplomatic instruments. The interdisciplinary nature of our field—spanning international relations, economics, law, and area studies—provides both opportunities and challenges. We must continue to develop theoretical frameworks that can accommodate the complexity of contemporary economic statecraft whilst maintaining analytical rigour and policy relevance.

Looking Forward

The presentations you will hear today reflect the cutting edge of scholarship in our field. They address fundamental questions that shape both academic discourse and policy practice: How do states navigate the tension between economic efficiency and political autonomy? What role does soft power play in facilitating economic relationships? How do emerging economies adapt to an increasingly complex and contested global economic order? These questions have acquired renewed urgency in light of recent developments. The ongoing recalibration of US-China economic relations, the European Union's pursuit of strategic autonomy, and the emergence of new economic partnerships across the Global South all demonstrate that economic diplomacy remains a dynamic and consequential field of both scholarly inquiry and practical statecraft.

The future of economic diplomacy will likely be shaped by several emerging trends. The continued digitalisation of economic activity will require new forms of international cooperation on issues ranging from taxation to data governance. The growing importance of intangible assets—from intellectual property to brand value—will challenge traditional approaches to economic valuation and regulation. The increasing role of non-state actors, from multinational corporations to civil society organisations, will require more complex and inclusive approaches to diplomatic engagement.

The Ljubljana Contribution

Slovenia's position at the crossroads of European integration provides a particularly apt setting for our discussions. This nation's experience of transformation—from a constituent republic of Yugoslavia to a successful member of the European Union—embodies many of the themes that will emerge in today's presentations. The strategic use of economic integration as a tool of political development, the navigation of competing spheres of influence, and the cultivation of soft power assets in a competitive international environment are all evident in Slovenia's remarkable trajectory.

Slovenia's accession to the European Union and adoption of the euro demonstrate how smaller states can leverage institutional membership to enhance their international influence and economic development. The country's success in attracting foreign investment, developing competitive industries, and maintaining political stability whilst undergoing fundamental economic transformation offers valuable lessons for other transitional economies. The hosting of this conference in Ljubljana also reflects the international recognition of Slovenia's contributions to economic diplomacy scholarship and practice. The country's universities, think tanks, and governmental institutions have produced significant research on European integration, transition economics, and international relations that has influenced both academic discourse and policy practice.

Acknowledgements and Expectations

I wish to extend particular recognition to our distinguished presenters: Prabhu Dayal, whose analysis of contemporary economic diplomacy draws upon decades of practical experience in international relations; Julius Sen from, whose examination of economic statecraft promises to illuminate the structural challenges facing the global economy; and Dnyaneshwar Mulay, whose exploration of soft power as an instrument of economic diplomacy reflects the growing recognition that cultural and symbolic resources constitute genuine economic assets in contemporary international relations. Their contributions today will undoubtedly advance our collective understanding of how economic tools serve political ends, how states adapt to changing global circumstances, and how the intersection of economics and diplomacy continues to evolve in response to technological, political, and social transformations.

As we embark upon our deliberations, let us remember that economic diplomacy is ultimately about human flourishing—about creating the conditions in which nations can prosper, societies can develop, and individuals can realise their potential within a framework of international cooperation and mutual respect. The scholarship we produce and the insights we generate must serve not merely academic advancement, but the practical goal of building a more prosperous, stable, and equitable international order. In the spirit of scholarly inquiry and practical wisdom that has characterised our previous conferences, I invite you to engage vigorously with the ideas presented today, to challenge assumptions, to propose alternatives, and to contribute to the ongoing evolution of economic diplomacy as both academic discipline and practical art.