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### INSTRUMENTS OF STATE REGULATION OF FOREIGN ACTIVITIES: ANTI-CRISIS POLICY OF ECONOMIC DIPLOMACY

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## ІНСТРУМЕНТИ ДЕРЖАВНОГО РЕГУЛЮВАННЯ ЗОВНІШНЬОЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ: АНТИКРИЗОВА ПОЛІТИКА ЕКОНОМІЧНОЇ ДИПЛОМАТІЇ

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# ИНСТРУМЕНТЫ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ ВНЕШНЕЭКОНОМИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ: АНТИКРИЗИСНАЯ ПОЛИТИКА ЭКОНОМИЧЕСКОЙ ДИПЛОМАТИИ

The theoretical analysis of the instruments of state regulation of foreign economic activity and the role in these processes of economic diplomacy, namely the anti-crisis diplomatic function, is aimed at ensuring national security.

It is shown that the role of the state continues to be significant, but the number of actors in the "diplomatic arena" increases and the distribution of forces between them and a set of tools are changing. In modern conditions, the frontier between external and internal politics gradually disappears, some internal problems, in particular those of economic nature, of individual countries can be successfully solved at the level of international cooperation.

The foreign policy of the state beyond the political boundaries, the whole complex of decisions and actions of the state that are related to the external sphere of its activity are analyzed. It is shown that at the disposal of the state there are tools and methods by which it implements its foreign policy tasks.

The problems of the present, as well as the processes of globalization, on the one hand, and the integration of national economies into the world economy, on the other hand, which leads to the economization of foreign policy, are singled out. Thus, the economics of foreign policy are due to the following factors: the growth of the global economy and globalization (increase in the number of trans-border and supra-national economic operations); aggravation of global issues (food security, climate change, threats to the environment, epidemics, international terrorism, etc.). It is shown that solving these problems requires the consolidation of international efforts and resources; the appearance in the international arena of such actors as TNCs, public organizations, etc., and their influence on the foreign and domestic policies of the states; the process of international regional integration and the creation of regional economic integration associations.

**Keywords:** state regulation; economic diplomacy; national security; foreign economic activity.

Проведено теоретичний аналіз інструментів державного регулювання зовнішньоекономічної діяльності та ролі у цих процесах економічної дипломатії, а саме антикризова дипломатична функція, спрямована на забезпечення національної безпеки.

Відзначено, що роль держави, як і раніше, залишається суттєвою, проте кількість акторів на «дипломатичній арені» збільшується і розподіл сил між ними та набір інструментів змінюються. У сучасних умовах межа між зовнішньою і внутрішньою політикою поступово зникає, деякі внутрішні проблеми, зокрема економічного характеру, окремих країн можуть бути успішно вирішені на рівні міжнародної співпраці.

Досліджено зовнішню політику держави за межами політичних кордонів, весь комплекс рішень і дій держави, що відносяться до зовнішньої сфери її діяльності. Зазначено, що у розпорядженні держави знаходяться інструменти і методи, за допомогою яких вона реалізує свої зовнішньополітичні завдання.

Виокремлено проблеми сучасності, а також процеси глобалізації, з одного боку, та інтеграції національних економік у світове господарство— з іншого, що зумовлює економізацію зовнішньої політики. Так, економізація зовнішньої політики обумовлена такими факторами: зростання обсягів світової економіки та глобалізація (збільшення кількості економічних операцій транскордонного та наднаціонального характеру); загострення проблем глобального характеру (продовольча безпека, зміни у кліматі, загрози для навколишнього середовища, епідемії, міжнародний тероризм тощо). Доведено, що вирішення цих проблем потребує консолідації міжнародних зусиль та ресурсів; появи на міжнародній арені таких акторів, як ТНК, громадські організації тощо, та їх вплив на зовнішню та внутрішню політику держав; процес міжнародної регіональної інтеграції та створення регіональних економічних інтеграційних об'єднань.

**Ключові слова:** державне регулювання; економічна дипломатія; національна безпека; зовнішньоекономічна діяльність. Бібл.: 10.

Проведен теоретический анализ инструментов государственного регулирования внешнеэкономической деятельности и роли в этих процессах экономической дипломатии, а именно антикризисная дипломатическая функция, направленная на обеспечение национальной безопасности.

Показано, что роль государства, как и раньше, остается существенной, но количество актеров на «дипломатической арене» увеличивается, распределение сил между ними и набор инструментов изменяется. В современных условиях грань между внешней и внутренней политикой постепенно пропадает, некоторые внутренние проблемы, в частности экономического характера, отдельных государств могут быть успешно решены на уровне международного сотрудничества.

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Проанализировано внешнюю политику государства за пределами политических границ, весь комплекс решений и действий государства, что относятся до внешней сферы ее деятельности. Показано, что в распоряжении государства находятся инструменты и методы, с помощью которых она реализует свои внешнеполитические задачи.

Выделены проблемы современности, а также процессы глобализации, с одной стороны, и интеграции национальных экономик в мировое хозяйство — с другой, что приводит к экономизации внешней политики. Так, экономизация внешней политики обусловлена следующими факторами: рост мировой экономики и глобализация (увеличение количества экономических операций трансграничного и наднационального характера); обострение проблем глобального характера (продовольственная безопасность, изменения в климате, угрозы для окружающей среды, эпидемии, международный терроризм и т. д.). Показано, что решение этих проблем требует консолидации международных усилий и ресурсов; появления на международной арене таких актеров, как ТНК, общественные организации и др., и их влияние на внешнюю и внутреннюю политику государств; процесс международной региональной интеграции и создания региональных экономических интеграционных объединений.

**Ключевые слова:** государственное регулирование; экономическая дипломатия; национальная безопасность; внешнеэкономическая деятельность.

Библ.: 10.

**JEL Classification:** F42

**Introduction**. Anti-crisis processes on the part of the state are carried out by using instruments of organizational and economic, regulatory and legal influence, which are aimed at protecting the subjects of the national market from crisis phenomena.

One of the main tasks of the state's economic policy is to identify and formulate its own model of economic development in accordance with the current state of the country's economy, its resource potential (labor and natural resources, scientific and technical basis), peculiarities of socio-political relations, the degree of participation of the country in the international division of labor, its geopolitical position. In the practice of public administration, the model of economic development is called the strategy of economic development.

The country's economic development strategy can be defined as the government's economic policy, pursued on a long-term basis, aimed at achieving the main goal of socioeconomic development. The value of the economic component of the foreign policy of the state is constantly increasing. This is due to the current global trends – globalization and the integration of national economies into the world economy.

Analysis of used sources. Research issues related to governance have been revealed in the works of many local scholars: O. Andryko, O. Bandurka, N. Nyzhnik, V. Tsvetkov and others, as well as foreign ones - A. Alekhina, B. Gabrichidze, D. Zerkina, V. Ignatova, J. Kozlov, A. Omarova, A. Radchenko, etc. Today's economic diplomacy is explored and analyzed by such well-known scholars as V. A. Vergun, R. O. Zablotsky, I. D. Ivanov, O. E. Likhachov, L.M. Kapitsa, V. Nizhnik, T. V. Zonova, K. A. Flissak, A. G. Savoy, V. D Shchetinin in the context of its role and significance, functioning mechanisms, expediency, benefits and economic benefits from its implementation. The role of economic diplomacy in foreign economic activity of the country was studied by V. M. Baranovska. V. A. Vergun analyzed the potential of economic diplomacy as a factor in the implementation of Ukraine's foreign economic priorities.

Among domestic and foreign scientists-researchers the problems of international trade and foreign economic relations were considered by O. V. Shkurupii, T. M. Tsygankova, E. A. Zin, K. A. Flissak. However, the interweaving of issues of public administration and economic diplomacy has not been raised in scientific works, which allows to reveal the theoretical approaches to the evaluation of these categories in the article.

The purpose of the article. To reveal the theoretical aspects of the peculiarities of state regulation of foreign economic activity and the role of these processes in economic diplomacy.

**Presentation of the main material**. New global challenges and global economic crises make for the transformation of international political and economic relations. The development of a modern international economic system is characterized by two opposite trends: the constant growth of competition and attempts to redistribute spheres of influence and markets among the main actors; the development of international cooperation, the creation of international organizations of various levels.

The role of the state remains significant, but the number of actors in the "diplomatic arena" increases and the distribution of forces between them and the set of tools are changing. In modern conditions, the frontier between external and internal politics gradually disappears, some internal problems, in particular those of economic nature, of individual countries can be successfully solved on the level of international cooperation.

Foreign policy is the same state activity outside its political boundaries, or the full range of decisions and actions of the state relating to the external sphere of its activity. The state has at its disposal tools and methods by which it implements its foreign policy tasks. Tools and methods for implementing foreign policy tasks are interrelated and represent the static and dynamic aspects of one reality.

The challenges of modernity, as well as the processes of globalization, on the one hand, and the integration of national economies into the world economy, on the other, predetermine the economization of foreign policy. Thus, the economy of foreign policy is due to the following factors: growth in the global economy and globalization (increasing the number of crossborder and transnational economic operations); aggravation of global issues (food security, climate change, threats to the environment, epidemics, international terrorism, etc.). The solution of these problems requires the consolidation of international efforts and resources; the emergence in the international arena of such actors as TNCs, civic organizations, etc., and their influence on the foreign and domestic policies of the states; the process of international regional integration and the creation of regional economic integration associations.

As a result of these processes, the activity of the diplomatic service abroad needs to be intensified, aimed at promoting the economic interests of the national business of the country beyond its borders. In modern conditions, states need to constantly improve traditional tools and means of international cooperation, but above all there is a need to develop new forms, methods and institutions that could adequately respond to changes and trends in the development of foreign economic contacts and would allow the formation of a mechanism for effective resolution of problems and dispute resolution which constantly arise. The system of such instruments and methods is represented by economic diplomacy, the significance of which has grown substantially in the recent years.

The Model of Peace (Diplomatic) Interaction is secured through a set of institutional (formal, codified and informal) activities (by international and diplomatic law, diplomatic etiquette, established diplomatic traditions, etc.) that define and regulate forms and methods of interaction between states.

The traditional sphere of diplomatic activity is interstate political relations. The main task of diplomacy in this area, both national and multilateral, is to ensure peace and security.

The growing interdependence of countries caused by the deepening of the international division of labor, the merging of national economies as a result of transnationalization of economic activity radically changed the conditions of coexistence of states, increasing their vulnerability to external factors. As a result, there are new threats to national and international security, whose control or risk reduction is virtually impossible for a single state or group of states. Moreover, the nature of these new threats differs from the nature of traditional threats to national security.

Taking into account objective obstacles which the current national diplomacy faces, one can determine its purpose in the following way: the main objective of the national diplomacy is to peacefully achieve a way to solve formulated by a state foreign policy tasks which is as close to the ideal as possible.

The instruments of diplomacy are: dialogue; talks; organization and maintenance of contacts (visits, exchange of delegations, etc.); dissemination and collection of information, legal instruments, etc., in these processes the state has a special place.

The instruments of multilateral diplomacy are international, regional and interregional organizations whose functions include substantive and technical maintenance of the member states, including the provision of analytical materials, early warning, monitoring, technical and economic assistance, organization of meetings, conferences, etc.

Economic realities of recent years convincingly indicate an increase in the role of international integration and cooperation in the overall process of development of the world community, strengthening the global trend of forming a single global economy.

An important feature of the modern world is a strong link between the structure and the process of transformation of the global economy. Foreign policy is increasingly shaped by structural and dynamic processes in the global economy. The boundaries between "internal" and "international" in the world political system are erased. Transnational flows of goods, services, labor, tourists, information, ideas and values are becoming more and more powerful. Foreign economic and foreign policy aspects of national development strategies become interdependent and continuously interact.

Economic diplomacy is aimed at achieving the goals and objectives of trade policy, protecting the domestic market from the crisis in the world economy, too tight foreign competition, the sharp increase in imports and other unfavorable conditions for the development of the national economy, as well as the protection of rights and economic interests, domestic enterprises and other business entities abroad.

Given that the implementation of the principles of economic diplomacy is related to the implementation of the trade policy of the state, the issue of anti-crisis functions of economic diplomacy becomes particularly relevant. Crisis processes are caused by a sharp escalation of contradictions that arise in the process of interaction of individual subjects of the world of economic relations. The main purpose of diplomacy is to ensure the national security of the state through negotiations. In other words, it is a certain anti-crisis policy aimed at the clarification or settlement of thorny issues in cooperation between two or more parties. Economic diplomacy is a special, fundamental anti-crisis instrument, because it is aimed specifically at the country's economic interests. An example can be the introduction of economic sanctions and the corresponding response to them, which leads to their cancellation, reduction or increase.

The sphere of realization of economic diplomacy is: support of national business abroad, defending national economic interests, ensuring the conclusion of mutually beneficial trade and economic contracts, regulating trade disputes and taking measures to prevent them, forming spheres of influence of the state abroad, guarantees of economic security of the state.

**Conclusions.** Public administration of foreign economic processes is a prerequisite for the successful achievement of the result. At the same time, excessive state interference in economic processes leads to their violation and does not create conditions for the development of the economic stability of the economy. The implementation of the principles of economic diplomacy is carried out by actors at the international and national levels. In addition to the state - the Ministry of Foreign Affairs, the ministries of economy, finance, defense, agro-industrial complex, and others - local authorities, regional associations, non-governmental organizations, industry and trade associations, firms and individual businessmen are involved.

In modern conditions, the functions of economic diplomacy are conditioned, first of all, by the development and modernization of the structure of the world economy at all levels: global, national, and regional. As the globalization deepened, the diplomatic direction of export rose to the level of trade and economic or economic management of national interests abroad at all stages: the order of the entry of national elements into the foreign economy, the provision of guarantees, the organization of support to national firms and individual actors for the development and strengthening of foreign positions national economy, the formation of disputes regulation mechanisms.

Ensuring national interest and protecting national security remain the priority task of economic diplomacy, which is implemented through state regulation. They organically contain the positions of their national factors in the expanding world market. Of great significance is the ability of the economic diplomacy to work in a more advanced regime, to provide a political task for the advancement of economic interests. The basic concepts for economic diplomacy are the notion of a combination of national production, traditions, national priorities. Economic diplomacy not only helps to address current and future-oriented challenges, but also influences the nature of assessments of even remote socio-economic prospects.

In modern conditions, multilateralism is formed in diplomacy of Ukraine, and economic diplomacy acquires creative forms of implementation. The traditional forms of implementing diplomacy with the use of creative, non-traditional forms are the key to success and development.

In the new conditions of the manifestation of creative forms of diplomacy, the preconditions for other approaches to the solution of tasks related to economic diplomacy are created. Solving these problems requires informational, innovative, cultural, and other grounds for the use of anti-crisis actions. State function is an integral part of supporting national business, promoting exports, ensuring the competitiveness of the national economy. At the same time, its impact should be minimal, and bear the nature of support and creating favorable conditions for the implementation of the principles of economic diplomacy, thus encouraging economic entities for independent fair competition and provision of economic security of the country.

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