

Propositions

attached to the thesis

Heterogeneous Effects of Economic Diplomacy: Instruments, Determinants and Developments

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- 1) The possibilities to influence trade by deploying economic diplomacy are as diverse as the goods traded internationally (*this thesis*)
- 2) Economic diplomacy “works” therefore it must be used if the conditions for successful application are being met (*this thesis*)
- 3) In a perfect neoclassical world, without cultural and institutional differences, economic diplomacy would not be needed (*this thesis*)
- 4) In the coming decades economic diplomacy will become even more important for developing countries (*this thesis*)
- 5) Diplomatic goodwill matters in international trade (*this thesis*)
- 6) Economic diplomacy research should reinvent itself and separate bilateral from multilateral actions more clearly
- 7) Truth is in the eye of the beholder. That is one possible reason why economists are more critical about economic diplomacy than International Relations practitioners
- 8) International transactions are always subject to second best decision making. The economics profession should invest more in understanding the complexity of second best economic practice instead of relying on first best economic theory
- 9) Often bilateral actions in international exchange, i.e. bilateral trade agreements and bilateral economic diplomacy, cause trade diversion instead of trade creation
- 10) Trust is more important in international exchange than many of the other issues researched by international economists
- 11) Trust me, I am a diplomat