
Editorial: even more instability ahead of us

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Biographical notes: Gorazd Justinek is the Dean of Faculty for Governmental and European Studies, New University and a former diplomat. His research interests include international business, particularly the internationalisation of small businesses, economic and commercial diplomacy and the competitiveness of economies and attracting foreign direct investment. He is the Founder and Editor of the *International Journal of Diplomacy and Economy*.

1 Introduction

The second issue of 2024 brings along some new papers from India, Slovenia, Taiwan and Kenya. If we asked ourselves a year ago if we lost one year (Justinek, 2023), a year later we can notice that we lost a year more. For sure the year 2024 did not provided any new stability, it rather brought around a lot of new instability and the conflicts are even widening. Approaching the year of 2025 we can thus notice that we have more or less the same instability as in the years before (Justinek, 2024; Justinek, 2021; Justinek, 2021a; Justinek, 2022), yet there are many new challenges on the horizon.

2 The papers

The second issue of 2024 is bringing us five very interesting papers and three book reviews. The first paper describes the influence of financial inclusion and financial sector advancement on non-performing loans. However, the literature has ignored the role of religiosity and secularism in understanding the above relationship. The current study assists to fill this void by exploring the above relationship using regression, interaction analysis, correlation, and generalised method of moment propounded by Hansen covering the period from 2000 to 2020. The findings reveal that religious perception negatively influences financial inclusion and financial sector development. In addition, through interaction analysis, it creates a positive impact on the non-performing loans of the religious country. Contrary, secularism assists in reducing non-performing loans by creating a positive influence on the financial sector development and financial inclusion. Moreover, the study substantiates a negative relationship between government stability and religious perception which also contribute to the non-performing loan of a religious country, contrary to a positive relationship between government stability and secularism.

The second paper talks about the COVID-19 pandemic, which has shocked the whole financial market after the 2008 financial crisis. In the last decade, markets have given various investment avenues to safeguard the invested funds during the time of crisis, sustainable investments are one among them. Hence, this study aims to examine how COVID-19 has impacted sustainable indices as compared to conventional indices. This study adopted the method of event study to analyse the pandemic impacts. The findings of the study indicate that the COVID-19 has severe impacts on conventional indices. On the other side, the cumulative average abnormal returns increase the pandemic lockdown announcement. Returns in the post-event window were highly volatile in the case of conventional indices. Finally, it observed that the sustainable indices were faster to absorb the impact of the COVID-19.

The third paper comes from Slovenia. The EU's objective, as clearly set out in the Strategic Compass for Security and Defence, is to be a global actor in a global world. How the EU actually pursues this objective is the focus of this paper. Being a global actor and having strategic autonomy is of paramount importance for the EU at a time when Ukraine is fighting for its territory occupied by Russia. A comparative analysis of EU activism was carried out between two time periods: from 2014, when Russia annexed Crimea, up to the military attack on Ukraine, and after the military attack on Ukraine up to June 2023. The methodological approach used was that refined by Bretherton and Vogler; they tested the actorness of the EU using three criteria: presence, opportunity and capability. These were further tested and scored in the same way as Batzella – with a high, medium and low level of actorness scores for each criterion. The actorness of the EU in the field of the CSDP was assessed using these research methods. The central theme was whether the EU should seek a peaceful solution for Ukraine and how this would affect its actorness.

The fourth paper comes from Africa and talks about a complex and intensely politicised procedure to recognise new states and admit them to the global community. By providing a forum for discussion and negotiation, regional groups, according to research, aid in this process. Regional organisations facilitate economic ties between freshly established states and the international community in this way as well. This study aims to examine how regional groups contribute to economic diplomacy and the acceptance of new states. With an emphasis on economic relations, the study looks into the various tools and procedures regional organisations employ to aid in the acceptance of new states and their following integration into the global community. The research also explores the economic benefits and challenges facing new states in their attempts to integrate into the international community. Some of these challenges relate to trade, investment, and difficulties in accessing financial institutions. It will also consider the input of regional organisations in mitigating these challenges through measures such as the negotiation of trade agreements, provision of technical support, and the establishment of financial institutions in the newly recognised states. Besides examining the role of regional organisations in economic diplomacy and the recognition of new states, this study analyses the broader implications of these processes on international relations by investigating how the recognition of new states and their subsequent incorporation into the international community impacts global governance, international norms, and power distribution.

The final paper touches upon China's public diplomacy in Indonesia which will benefit various Belt and Road Initiative (BRI) projects since the main obstacle to BRI projects in Indonesia is the negative image of China as communist, aggressive, and anti-

Islam by the Indonesian public. This article explores various Chinese government Public Diplomacy in Indonesia. They explained using Cull Public Diplomacy Taxonomy, which is listening, advocacy, cultural and exchange diplomacy, and broadcasting. This article argues that the Chinese government uses ASEAN-China Think Tanks (NACT) as a listening approach to their public diplomacy. At the same time, it could also be utilised as an advocacy approach to their public diplomacy. China uses its Confucius Institute for cultural diplomacy. China approached influential Muslim organisations' representatives in Indonesia and invited them to visit China to eliminate the anti-Islamic image from China as their exchange diplomacy. China also cooperates with Indonesian news media to combat the anti-Islam image of China.

For the end, there are also three book reviews prepared by authors from Latvia and Italy.

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