
Editorial: the year 2025 ahead

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1 Introduction

We are delighted to announce that our journal, launched in 2012, will transition to a quarterly publication schedule starting in 2025. Over the past two years, we have experienced a substantial influx of article submissions addressing topics at the intersection of economics and diplomacy, which is the primary focus of our journal. Undoubtedly, a significant contributing factor to this growth has been the journal's inclusion in the Scopus index two years ago. Notably, in the past year, we have successfully increased our CiteScore, and we are confident that this upward trajectory will continue throughout 2025.

In recent years, the journal has also firmly established itself as a global platform, as evidenced by the first issue of this year, featuring contributions from Africa, Asia, and Europe, including countries such as Ethiopia, Nigeria, Bangladesh, India, and Greece.

As is customary, the editorial of our journal also reflects on the global situation over the past year and offers a forward-looking perspective. The year 2024 witnessed several significant global events that left a lasting impact on both geopolitics and the global economy (Justinek, 2024; Justinek, 2023; Justinek, 2021; Justinek, 2021a; Justinek 2022). One of the most notable developments was the ongoing Russia-Ukraine conflict, which continued to destabilise Eastern Europe and wider. This prolonged confrontation not only affected regional security but also caused substantial disruptions in global energy markets, exacerbating existing humanitarian crises. Simultaneously, the Middle East faced renewed instability, with armed clashes in Gaza escalating into a broader regional conflict involving Iran and its allies, thereby intensifying tensions across the region.

In addition to these geopolitical challenges, technological advancements introduced new threats, particularly in the cyber domain. An increase in cyberattacks orchestrated by both state and non-state actors posed significant risks to global economies and political stability, underscoring the need for enhanced cybersecurity measures.

From an economic perspective, Asia played a central role in driving global growth during 2024. India recorded an impressive GDP growth rate of 6.2%, primarily propelled by strong domestic demand and the expansion of its manufacturing and services sectors. China, despite facing hurdles such as a cooling real estate market and external trade pressures, achieved a GDP growth rate of 4.6%, reaffirming its position as a major contributor to the global economy.

Looking ahead, 2025 presents a series of formidable challenges. Energy security will remain a pressing concern for many countries, particularly given the continued geopolitical uncertainties. Climate change mitigation is another critical priority, as nations must accelerate their efforts to reduce carbon emissions, invest in renewable energy sources, and strengthen climate resilience. Furthermore, geopolitical tensions show no signs of abating, with existing conflicts posing risks of further escalation and new areas of friction likely to emerge. Lastly, economic uncertainty will persist, with potential inflationary pressures, supply chain vulnerabilities, and central banks' monetary policies influencing global financial stability.

In sum, the coming year will require coordinated international efforts to address these multifaceted challenges and foster a stable global environment.

2 The papers

The first study empirically investigates the effects of intellectual capital (IC) components on business performance indicators within the Indian hospitality sector. Additionally, it examines the role of interactions among IC components in enhancing corporate performance. The study employs the Modified Value-Added Intellectual Coefficient (MVAIC) model to quantify IC, and utilises multiple regression models to analyse panel data from a sample of the top 50 Indian hotels. The findings reveal that the most influential and statistically significant variables are human capital efficiency, capital employed efficiency, and the interaction between human and structural capital efficiencies, all of which positively impact hotel performance, as measured by profitability and productivity indicators. The results further underscore IC as a strategic resource for improving corporate performance. Consequently, these findings may assist management, stakeholders, policymakers, and government bodies in emerging economies such as India to optimise and harness their IC resources more effectively, particularly within the hospitality sector.

The second study originates from Nigeria and argues that diplomacy fosters mutual and constructive relations among individuals and groups with differing socio-political and economic interests. This research explores the efficacy of Igbo cultural diplomacy in fostering peace in pre-colonial Nigeria for socio-political and economic purposes. Unlike other nations that expanded their territories through warfare, the Igbo nation adopted cultural diplomacy to establish cordial inter-group relations and achieve significant socio-political and economic milestones, particularly in trade. Long-distance trade with regions such as the Niger Delta, the Yoruba nation, the Benin Kingdom, Igala, Kanuri, the Hausa States, and the Cross River area exemplifies this approach. Oracle priests, notably from Nri and Arochukwu, were often commissioned to mediate disputes, promote peace, and ordain priests in regions where the Igbo had trading interests. The purpose of this paper is to highlight the success of Igbo cultural diplomacy in fostering peaceful relations both within Igbo communities and with external groups in pre-colonial

Nigeria. The study draws on primary and secondary data and employs an analytic and thematic approach. The findings suggest that incorporating elements of Igbo cultural diplomacy into contemporary global diplomacy could contribute to fostering peace in the international system, given its historical success in promoting peaceful socio-political and economic interactions.

The third study examines the diplomatic factors influencing Ethiopia's cut flower export industry. The country's fluctuating diplomatic relations with ideologically polarised states have had a significant impact on key export sectors. To assess the extent of these impacts, the researcher applied a treatment effect model to evaluate the influence of changing diplomatic relations. The study links export incentives to the performance of the cut flower industry and identifies key challenges facing the sector, including limited social acceptance of investment in floriculture, intense competition from other exporting nations, and insufficient compensation for land and property, which hampers sectoral performance. Notably, the study finds that during the Prosperity Party (PP) regime, diplomatic tensions caused a 28.4% decline in cut flower exports compared to the Ethiopian People's Revolutionary Democratic Front (EPRDF) era. Based on these findings, the study recommends increasing export incentives, carefully evaluating the economic cost of diplomatic polarisation, and adopting a more balanced diplomatic strategy. Policies promoting economic diplomacy could enhance investor confidence, stimulate industrial growth, and boost exports.

The fourth study, conducted in Greece, addresses the concept of commercial diplomacy (CD). Despite extensive scholarly attention, the activities and instruments of CD require further clarification and conceptual refinement. Most existing research focuses either on the actors (state and non-state) or on the objectives of CD (export promotion, foreign investment), with insufficient attention given to the instruments employed in CD practices. This paper contributes to the literature by proposing two conceptual dimensions of CD activities and instruments – cognitive and political – following an extensive theoretical and empirical review. Consequently, the study introduces a holistic framework in which CD is defined not only by its actors and goals but also by its activities and corresponding instruments, integrated into the proposed dimensions. Furthermore, the paper highlights specific qualitative factors that influence the effectiveness of CD in promoting international trade and investment.

The final study, from Bangladesh, explores the impact of the ongoing Russia-Ukraine war on stock markets in selected South Asian countries. While numerous studies have examined the effects of this conflict on equity markets in developed economies, its implications in the South Asian context remain under-researched. Using data from August 2014 to November 2022, the study investigates the aftermath of the conflict on stock market volatility and returns in Bangladesh, India, Pakistan, Sri Lanka, and Nepal. Employing a Generalised Auto-Regressive Conditional Heteroskedasticity-in-Mean (GARCH-M) model, the authors find that the war significantly increases stock market volatility. Moreover, the study indicates that the conflict negatively affects equity returns across these markets.

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