

INNOVATION IN ECONOMIC DIPLOMACY: ACCELERATING THE REPUBLIC OF MOLDOVA'S EUROPEAN INTEGRATION

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Abstract: *This article aims to clarify the issue of using innovation in the economic diplomacy of the Republic of Moldova and its role in the country's integration process into the European Union. The author's hypothesis is that the use of innovative tools in economic diplomacy would have a direct effect on accelerating the country's European integration process. The article explains the concept of economic diplomacy, emphasizing the fact that for the Republic of Moldova, economic diplomacy is becoming an indispensable tool, with the help of which the country's economic interests are promoted. Economic diplomacy has the role of creating a positive image of Moldovan products abroad, thus stimulating exports, creating a favorable image of the economic and political climate, thus favoring the attraction of foreign investments and, last but not least, facilitating cooperation with European organizations and institutions. At the same time, the article clarifies the notion of innovation, emphasizing that it represents a set of activities through which new ideas are generated, developed and implemented, being dynamic, continuous and including stages such as research, experimentation, testing and application. Some innovative tools that could be used in the economic diplomacy of the Republic of Moldova are also proposed. Bibliographic analysis is used as a research methodology, as well as foreign policy documents provided by the Ministry of Foreign Affairs and European Integration of the Republic of Moldova.*

Key words: *New Economy, economic diplomacy, innovation, European integration, Republic of Moldova*

JEL: F50, O30, O19

Introduction

In the current context of international economic relations, and more precisely that of globalization and regional interdependencies, one of the instruments used by the foreign policy of a state that aims to develop economically, including through integration into markets on the international arena, is economic diplomacy. Under these conditions, economic diplomacy is becoming a major topical area for both the academic and research environment, as well as for actors involved in international relations.

Given the major changes occurred worldwide in the society for some years now - digitalization, the emergence of artificial intelligence, the exponential growth of mobile communications and number of Internet users, the contribution of ITC to economic growth and in creating jobs, the reconfiguration of working systems in companies and in business, generally, so that to benefit more effectively from new technologies, the accelerated development of e-commerce - there are being created the leverages of the transition from the Industrial to the Post Industrial Age.

The need for permanent cooperation, at the highest level, between economic and commercial diplomats of various countries, capable of responding to current challenges and transformations of the global economic activities, creates, in the context of developing the informational society concept, the notion of „New Economy". The „New Economy" is characterized by enhancing the embedding of knowledge into new products and services and by increasing the importance of learning and innovation. The art of diplomacy and negotiation is a necessary but not sufficient condition for the modern economic and commercial diplomat, operating in the New Economy". The movement of capital, taxation, the methods of supporting agriculture, the issues of environmental quality - are just

a few examples imposing the economic and commercial diplomat the duty to acquire additional skills and experiences, that can be achieved only after an intense process of specialization in these areas. At this point, the economic diplomacy is not just the attribute of career diplomats, but it appeals to national expertise in specific areas, from either the public or the private sector. Therefore, the economic and/or commercial diplomat becomes an interdisciplinary integrator, who aims to achieve the aims entrusted, by negotiating the product of the integration process through techniques that are specific to the „art of diplomacy". The collaboration and cooperation in the field will meet the countries' national economic interest through modern methods, techniques and innovative strategies, of foreign trade and economic diplomacy. At the same time, it will be taken into account that the mutations and metamorphoses suffered by economic diplomacy in the postmodern Era made possible the emergence of non-state actors alongside the state actors, that have no diplomatic protection, that are highly trained, and who act within and outside borders, and that create fair competition worthy of consideration.

The governance that will be able to create an organizational model making, primarily based on public-private partnership, with the real and clear ability to integrate the synergy of forces of the governmental and non-governmental entities, will be undoubtedly Smart Governance. The Smart Governance that will use the public-private partnership model in economic diplomacy, at the conceptual and functional level of commercial diplomacy as a variation of economic diplomacy, developed horizontally, will achieve great success for the country governed.

This fact, in addition to the interest shown in the specialized international doctrine in terms of redefining the traditional diplomacy in general, and also the economic diplomacy, in particular, encourages us to an entitled attempt to provide a definition, without pretending to be exhaustive: Economic diplomacy is the process of mutual conditioning between politics and economics to enhance the stability of an area through another, and which aims to satisfy the political and economic national interest negotiated at international level.

In another vein, if we refer to the specific case of the Republic of Moldova, then it can be said that economic diplomacy, in addition to being an instrument with which the country's economic interests are promoted, this mechanism also represents an important vector of the broad process that our country is going through, the European integration process. The role of economic diplomacy for the economy of the Republic of Moldova is to create a positive image of Moldovan products outside the country, thus stimulating exports, to create a favorable image of the economic and political climate, thus favoring the attraction of foreign investments and, last but not least, to facilitate cooperation with European organizations and institutions. In this context, economic diplomacy becomes a fundamental tool for accelerating and consolidating the European integration process.

The motivation for choosing this topic stems from the increasing role of economic diplomacy as a strategic instrument in supporting European integration, particularly through the promotion of innovation and the attraction of advanced technologies. In the context of structural economic vulnerabilities, energy dependence, and institutional fragility, the Republic of Moldova must capitalize not only on traditional economic tools, but also on innovation-driven approaches. Economic diplomacy thus becomes a key mechanism for facilitating technology transfer, fostering partnerships in research and development, and positioning the country within global value chains based on innovation.

The main goal of this research is to analyze the role and effectiveness of economic diplomacy in advancing the European integration process of the Republic of Moldova, with a particular focus on its capacity to support innovation. The study aims to examine how economic diplomacy contributes to attracting innovative investments, enhancing technological capabilities, facilitating access to European research and innovation programs, and supporting the transition toward a knowledge-based economy. At the same time, it seeks to identify the main challenges and opportunities related to

integrating innovation into economic diplomacy strategies within the current geopolitical and economic context.

In terms of methodology, the research is based on a qualitative approach, combining the analysis of academic literature, official policy documents, and reports issued by national and international institutions. Analytical and comparative methods are employed to assess the evolution of economic diplomacy practices and their impact on both European integration and innovation capacity.

Basic content

The European integration process of the Republic of Moldova represents one of the most complex and ambitious political and economic transformations in the country's recent history. The signing of the Association Agreement with the European Union in 2014 and the granting of candidate country status in 2022 have strengthened Moldova's European perspective, while also highlighting the need for coherent external and internal policies capable of meeting the requirements of the EU *acquis* and ensuring the sustainability of reforms. In this context, economic diplomacy becomes a fundamental instrument for accelerating and consolidating the European integration process.

Economic diplomacy constitutes a core component of any country's foreign policy, aimed at protecting and promoting national economic interests abroad. According to Bayne N. and Woolcock S. [2], economic diplomacy manages the tensions between politics and economics, between state and non-state actors, between international and domestic pressures, as well as between international negotiations and internal negotiation processes. This definition highlights the interdependence between traditional diplomacy and external economic policy, emphasizing the role of the state as the primary actor, while also underscoring the importance of cooperation with the business environment and civil society.

On the other hand, Saner and Yiu broaden the understanding of the concept by defining economic diplomacy as a mechanism for the strategic adaptation of states to the dynamics of globalization and international economic competition. From this perspective, economic diplomacy becomes a form of external governance that involves policies aimed at attracting investment, promoting exports, and integrating into global value chains [12, p. 311–333].

In the European context, the research of Okano-Heijmans [11] and van Bergeijk [3] analyzes economic diplomacy as an instrument of integrated foreign policy, used by the European Union to promote its economic and normative interests in its eastern neighborhood.

Economic diplomacy is a modern concept that covers a broad range of instruments and intervention activities carried out on behalf of the state or of internationally active power groups, which act to promote or defend economic interests in the fields of production, logistics, trade, the international circulation of goods and services, or the monetary and financial economy [8].

Researchers from the Republic of Moldova Țău, N. and Stegăroiu, V. consider that economic diplomacy represents an "organic component of foreign policy and of states' international activities, as economic interests have become a fundamental priority of foreign policy, directly influencing a state's ability to ensure its security, development, and influence on the international stage" [13]

It can therefore be argued that economic diplomacy has become an essential instrument for promoting national interests, strengthening economic security, and attracting foreign investment. Studying economic diplomacy from the perspective of European integration provides the opportunity to build an interdisciplinary conceptual framework at the intersection of political science, international relations, and political economy. At the same time, such research contributes to the development of theory regarding the role of small states in international economic networks and to the identification of diplomatic instruments adapted to the Eastern European regional context.

In its contemporary understanding, economic diplomacy goes beyond the simple commercial dimension and extends to attracting foreign direct investment, strengthening economic security, facilitating access to external markets, and building strategic partnerships. In essence, it reflects a state's capacity to transform diplomatic relations into economic opportunities and, conversely, to

leverage economic resources to strengthen its international standing. For the Republic of Moldova, this type of diplomacy is not merely an option but a strategic necessity, given the structural vulnerabilities of the national economy, energy dependence, and institutional fragility. Through the mechanisms of economic diplomacy, the Republic of Moldova has the opportunity to diversify its exports, reduce dependence on traditional markets, attract investment capital, and become a more competitive economic actor in the region. Moreover, economic diplomacy facilitates access to European financial resources, technical expertise, and EU markets, creating the premises for accelerated economic convergence. The main directions that can be influenced by economic diplomacy are summarized in Figure 1.



Figure 1. Main directions that can be influenced by economic diplomacy

Source: Ministry of Foreign Affairs and European Integration, www.mfa.gov.md

According to the Ministry of Foreign Affairs and European Integration, the objectives of the Republic of Moldova's economic diplomacy are [9]:

- Promoting the economic interests of the Republic of Moldova abroad;
- Attracting foreign investment and new technologies into the national economy;
- Promoting a favorable economic image of the country;
- Attracting external economic assistance;
- Developing cooperation with international economic organizations;
- Optimizing the economic cooperation of the Ministry of Foreign Affairs and European Integration with national governmental institutions to successfully implement the objectives of economic diplomacy.

On the other hand, the role of economic diplomacy in the European integration process of the Republic of Moldova should be analyzed not only as a sectoral dimension of foreign policy but as a central pillar of the European path. It serves both as a catalyst for internal economic transformations and as an instrument for strengthening the country's international credibility in a complex and often unpredictable geopolitical environment. Understanding this interdependence is crucial for formulating effective public policies and for capitalizing on the opportunities offered by European integration.

In parallel, innovation systems theory emphasises the role of interactions among government, industry, and academia in generating technological change and economic growth. According to this view, the effectiveness of innovation depends on the capacity of institutions to absorb knowledge, foster collaboration, and participate in international networks. Innovation is no longer just a domestic economic priority; it has become a central theme in international relations and diplomacy. As argued

in research on innovation policy within diplomatic contexts, the global distribution of innovative activities affects international collaboration and competition, influencing diplomatic agendas and economic strategies. In this regard, integrating innovation into economic diplomacy facilitates deeper cooperation and strengthens a state’s position in international negotiations, especially with supranational entities like the EU.

Before referring to any innovative directions in the economic diplomacy of the Republic of Moldova, it is important to clarify the concept of innovation. There are several ways in which innovation can be defined. It can be understood as a process of improvement through the introduction of novelty, as the simple introduction of something new, as a change that generates a new level of performance, as a creative idea that is put into practice, or as the continuous ability to achieve a desired future state. According to the specialized literature, innovation refers to ” to the process itself—namely the set of activities through which new ideas are generated, developed, and implemented. It is dynamic and continuous, and it includes stages such as research, experimentation, testing, and implementation” [1]. Collins and Amabile consider that innovation ”begins with creative ideas, creativity being a necessary but not sufficient condition for innovation” [4].

In economic, administrative, and social contexts, innovation refers to the introduction of meaningful and substantial novelty within a specific field, rather than minor or superficial changes. It includes both radical and incremental transformations of products, processes, services, and organizational paradigms. From this perspective, innovation is a multidisciplinary concept, addressed in economics, business studies, sociology, and technology, and is widely recognized as a key driver of contemporary economic development.

Innovation contributes to value creation and is closely linked to performance and growth, as it enhances efficiency, productivity, quality, and competitive positioning. At the same time, it may also have a disruptive character, replacing established structures, practices, and models, which implies a certain level of risk [10].

Returning to the role of innovation in the economic diplomacy of the Republic of Moldova, in order to accelerate European integration, the Republic of Moldova must shift from reactive economic diplomacy to an innovative, strategic, and results-oriented one with measurable outcomes.

Economic diplomacy should increasingly focus on microeconomic factors of competitiveness, particularly innovation, as a key driver of sustainable growth. By promoting technological capabilities, knowledge transfer, and international collaboration, it enhances the global positioning of innovative firms. In this way, economic diplomacy acts as a strategic bridge between national innovation systems and international markets [7].

The table 1 outlines several innovative directions that could be leveraged in the economic diplomacy of the Republic of Moldova.

In the same vein of logic, the success of integration into a global value chain depends decisively on a country’s innovative competitiveness. According to a study conducted by Moldovan researcher Marica Dumitraşco, the Republic of Moldova’s high-tech exports are concentrated in a few segments, such as medicinal and pharmaceutical products, as well as electrical machinery and their components. The study also shows that the country’s participation in global value chains is predominantly of the “backward” type—that is, it relies more on external inputs than on the internal generation of added value.

Table 1. Innovative directions that could be used in the economic diplomacy of the Republic of Moldova.

N.o.	Directions	Description
1.	Digitalization of Economic Diplomacy	It is necessary to use digital platforms to promote exports, showcase investment opportunities, facilitate B2B contacts, and monitor external markets. A data-driven economic diplomacy can more rapidly identify promising sectors and barriers to entry in the EU market.

N.o.	Directions	Description
2.	Smart Sectoral Specialization	Economic missions and external representations should prioritize the promotion of sectors in which the Republic of Moldova has or can develop competitive advantages: high value-added agri-food, IT, electrical components, digital services, creative industries, pharmaceuticals, and green technologies.
3	Integrating Innovation into Foreign Economic Policy	Economic diplomacy must be aligned with national policies on research, innovation, education, and industrial development. Embassies and economic offices can become platforms for connecting Moldova’s innovation ecosystem with European partners.
4	Strengthening cooperation between the state, academia, and the business sector	An effective approach involves a “quadruple helix” model, in which the state, universities, the private sector, and civil society collaborate to internationalize the economy and capitalize on European opportunities.
5	Promoting the country’s economic brand	The Republic of Moldova needs a coherent external economic narrative centered on reliability, European proximity, flexibility, creativity, and innovation potential. Economic diplomacy is not only about negotiation, but also about building a credible and attractive economic image.

Source: Author's creation based on bibliographic sources

This finding is quite relevant for economic diplomacy. If the Republic of Moldova aims for accelerated and sustainable European integration, it is not enough to increase the volume of exports; it is necessary to improve their qualitative structure, move up the value chains, and promote innovative sectors capable of generating a lasting competitive advantage. Therefore, innovative economic diplomacy must become a vehicle for structural transformation, directing external efforts not only toward market access, but also toward technology transfer, research partnerships, the development of creative industries, the internationalization of innovative SMEs, and the attraction of investments with technological impact [6].

Another relevant aspect of modern economic diplomacy is the capitalization of creative industries and creative goods in international trade. According to a recent study conducted by Moldovan researcher Mariana Damaschin, foreign trade in creative goods can have a positive impact on the economic stability of the Republic of Moldova by diversifying exports, increasing added value, and reducing vulnerability to external shocks [5].

This perspective is particularly important in relation to European integration, as the European Union is increasingly promoting a knowledge-based economy driven by innovation, creativity, and digitalization.

In the same vein, we believe that through the economic diplomacy of the Republic of Moldova it is important to promote at the international level sectors that use innovation and creativity, sectors such as design, cultural products, IT, digital services, media industries and branding of domestic products. In addition, creative goods and innovative products contribute not only to the performance of exports, but also to the external image of the state. In an era when economic reputation influences investments and partnerships, economic diplomacy must go beyond the classic paradigm of trade promotion and include elements of country image, economic soft power and innovation diplomacy.

It is important to emphasize that the Republic of Moldova already has a functioning economic diplomacy. The question, however, is how effective it currently is. The concern addressed in this article also relates to the aspect of innovation, and more specifically how, through innovation, the efficiency of economic diplomacy can be increased in order to attract foreign investment, export Moldovan products and services, and develop the country’s economy.

A first step would be to assess the current state of economic diplomacy, to continue the good practices, to improve what works less well, and to draw inspiration from best practices while adding new and innovative elements to maximize the efficiency of the country's economic diplomacy.

Conclusions

The economic diplomacy is a matter of national security from an economic perspective. The economic diplomacy, in the current international context, has turned into a real distinct branch of diplomacy, and as a result of globalization, it was supported and driven by an increase in the importance of economic affairs, which clearly did not affect the nature of diplomatic missions, on the contrary, it brought them new meanings. Thus, the traditional commercial diplomacy undergoes a metamorphosis as a result of the elevation process, and migrates, configuring accurately the term of economic diplomacy in a more comprehensive sense, and integrating the financial component as well, in addition to traditional commercial exchanges.

The role of this article is to dive deeper into the impact of innovation as a strategic driver within the economic diplomacy of the Republic of Moldova, specifically its importance on accelerating the country's European integration process.

After writing this article, it can be concluded that economic diplomacy is an important component in the European integration process of the Republic of Moldova. An economic diplomacy, based on intelligence, research and innovation, can make a considerable contribution to increasing the competitiveness of our country, to increasing the exports of Moldovan goods and services to the European Union market, but also to attracting foreign investments. Accelerating European integration depends not only on political will, but also on the capacity to innovate institutionally, to connect the national economy to European value flows and to transform the advantages of proximity into concrete development results.

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