



SPECIFICS OF THE DEVELOPMENT OF ECONOMIC DIPLOMACY IN GERMANY

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Article history:	Abstract:
Received: 24 th December 2021 Accepted: 26 th January 2022 Published: 28 th February 2022	Support and assistance to foreign economic activity, primarily the development of national exports in Germany, is provided by state, public, and private structures: Federal and state parliaments; Federal and land ministries; Federal Department of Economics and Export Control; Federal Wholesale and Foreign Trade Union of Germany, Federal Union of German Industry, Union of Agricultural Producers of Germany, etc., Associations: Federal Association of Industrial and Commercial Chambers; representative offices of industrial and commercial chambers abroad, for example, the Office of the Delegate of the German Economy; land Chambers; Eastern Committee of the German Economy; financial and credit institutions, etc.

Keywords: Office of the Federal Chancellor, the principle of chancellorship, the principle of collegiality, the principle of responsibility, GTAI, the concept of three pillars.

INTRODUCTION.

The structure of bodies dealing with economic diplomacy issues includes both State and public and private organizations. Questions about the specific structure of these bodies in Germany are explained by the fact that Germany is a federal state, whose lands have significant autonomy.

MATERIAL AND METHODS.

The study used methods such as collection, processing and systematization of data, comparative and statistical analysis of data, generalization of the conclusions and results of research on the economic diplomacy in increasing the competitiveness of countries.

The economy of the Federal Republic of Germany –FRG) is one of the most powerful economies in the European Union in absolute quantitative terms. One of the main pillars of Germany's international economic relations is an effective system of economic diplomacy. The impetus for the development of ED is considered to be the post-war efforts of Germany in the 1950s and 1960s, which were called the German economic miracle (Deutsches Wirtschaftswunder), participation in the creation of the European Economic Community (EEC) in 1957, unification with the GDR in 1990.

The results of its activities in 2020 show that its GDP amounted to \$ 3.677 billion, while the foreign trade turnover was equal to \$2.553 billion or, in relative

terms, 69.4% of GDP. The share of gross exports of goods and services in foreign trade was 54.1% (\$1.382 billion), and imports - 45.9% (\$1.171 billion). Thus, the foreign trade surplus reached \$211.1 million, and the export-to-import ratio (import export coverage ratio) was 118%. The country's share in world exports was 7.39%, in world imports - 5.52%.

The financial sector in the year under review looked as follows: the total volume of foreign direct investment (FDI) in the German economy amounted to 20.1 billion euros, while the PPI of German residents abroad was at the level of 43.3 billion euros. Consequently, the country acted as a net exporter of capital in the amount of 23.2 billion euros, with the value of the coefficient of coverage of outgoing investments (FDI outflow) by incoming ones (FDI inflow) at 46.4%. In general, Germany accounts for 1.5% of the global flow of incoming PPI, per capita - 248.7 euros.

The above statistics reflect the high importance of the external sector for the German economy. With a significant capacity of the domestic market, such high foreign economic activity gives grounds to judge Germany as one of the most developed economies of the region (Europe), the integration association (European Union), as well as the world as a whole. However, the country's Constitution stipulates that foreign relations with foreign states fall exclusively within the competence of the Federation (Article 32),



and it is granted exclusive legislative competence in this area (Article 73). At the informal level (so-called public economic diplomacy), the bodies of the constituent entities of the Federation (länder) and private entities are actively engaged in economic diplomacy to ensure and promote their own economic interests¹.

The role of the Parliament (Bundestag and Bundesrat) in the context of the functions and tasks of economic diplomacy is to create a regulatory framework for the activities of both national and foreign companies in the German market, adopt relevant laws aimed at protecting the interests of domestic firms, and reform the entire socio-economic sphere of the country.

Dynamic balance of the German Bundestag its effective legislative activity is ensured both by internal factors – the activities of party factions, committees with clear rules of procedure, and external counterweights – the Bundesrat's veto power over most decisions of the first one, as well as by the Federal Government, which is protected from Parliament by the system of constitutional regulation and the ability of the Federal Constitutional Court to decide on the constitutionality of laws adopted by parliament.

DISCUSSION.

The central role in the structure of the German economic diplomacy mechanism is played by the Office of the Federal Chancellor, the Federal Ministries of Foreign Affairs; Economy and Labor; Economic Cooperation and Development; Finance; consumer Protection, Food and Agriculture; and the Federal Office for Foreign Trade Information. The Office of the Federal Chancellor is the highest executive authority in Germany, whose main function is to coordinate all government policies, manage the activities of ministries and departments on the basis of three principles: chancellorship, collegiality and responsibility.

The German system of promotion of foreign trade activities work together to enable the state and the economy, and the basis of foreign trade promotion is a practical implementation of the "concept of the three pillars", which include²: 1) the German diplomatic mission abroad (administered by the diplomatic service) 2) international network of German chambers of Commerce and the Bureau of delegates, the corresponding representation of the German economy; 3) subordinate to the Ministry of economy and energy of Germany, the company "Germany Trade and Invest" (GTAI) – "Agency for Foreign Trade and Investment".

¹ Amariel Ana-Cosmina. Economic Diplomacy in the Context of Economic Crisis / Ana- Cosmina Amariel // *Europolity*, vol. 8, no. 1. - 2014. - P. 7-31

CONCLUSION.

In the practice of German economic diplomacy, there is a tendency for institutions involved in export promotion and investment development to merge. Responding to the challenges of globalization, the German government structures are implementing anti-crisis measures and defining new strategic lines, focusing on bringing the markets of developing countries closer together. Special emphasis is placed on China, India, Brazil and South Africa. New steps in economic diplomacy can also be attributed to the German government's economic measures to stabilize and support the eurozone as indirect measures to stimulate its own exports.

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² Drei Säulen der Außenwirtschaftsförderung [Electronic resource] / Auswärtiges Amt. - 2015. - Accessed mode : www.auswaertiges-amt.de/diplo/de/Aussenpolitik/AussenWiFoerderung/AkteureAWi.html