This Master’s Thesis contributes to the theoretical approach of ‘economism’ developed by Teivo Teivainen as well as the theoretical discussion on the changing responsibilities of foreign ministries and the influences of modern neoliberal economic principles on foreign policy. The case study of this research is the Ministry of Foreign Affairs of the Republic of Latvia. The aim of the research therefore was to examine if and how economism manifests itself in the responsibilities of the Ministry of Foreign Affairs with regards to Latvia’s external economic relations.

This research contributes to the theoretical stances of economism by developing a set of conceptual principles and exercising them on the Ministry of Foreign Affairs. A discourse – containing arguments and principles expressed by interviewed officials and conceptual foreign policy documents – is screened for the presence of these predefined principles of economism. The documents regulating the responsibilities of the Ministry of Foreign Affairs are subjected to a diachronic comparative analysis to identify whether the political influence and responsibilities of the Ministry have diminished over the time and if a constitutionalization of economism has taken place.

The analysis reveals a constitutionalization of economism through a gradual reduction of responsibilities and political influences of the Ministry since the beginning of 1990s. The control and political influence that the Ministry had after the collapse of the Soviet Union was reduced, liberalizing economic relations and opening the market. The MFA’s responsibilities and influences have been adjusted to the needs and demands of the business sector – the promotion of domestic businesses abroad and the attraction of the foreign investors. The embassies and the MFA add ‘political muscle’ by demonstrating support for the business sector rather than by constraining it. The main responsibilities left for the MFA and embassies are the representation of businesses, occasional assistance for citizens, expert advice to the host state and improving the image of the country.

The presence of the principles of economism within the discourse is not unequivocal. The economic rationale does not dominate the discourse of the responsibilities of the MFA. Economic rationale and even boundary creation itself is largely absent from the discourse constituted by the principles within the documents regulating the functioning of the MFA. Even more, the discourse constituted by the principles expressed by the officials in the interviews for this research does not reveal strong dominance of economic rationale either. Present principles show support for apolitism in state affairs and limitations on external sovereignty. At the same time, there are also strong opposing views, especially with regards to the limits of democracy and internal sovereignty. Nevertheless the legal documents demonstrate that the boundary between economical and political is being created by taking the strong decision making powers on external economic relations away from the MFA and so revealing the constitutionalization of economism. The defined principles of economism though should be further tested in future analyses.