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## **Ekonomiczny wymiar bezpieczeństwa**

### **Streszczenie**

Kwestię wzajemnych relacji między systemem bezpieczeństwa a gospodarką narodową bada stosunkowo młoda subdyscyplina ekonomika bezpieczeństwa. Istotne pozostaje określenie współczesnych determinant bezpieczeństwa (w warunkach układu wielobiegunowego i szeregu zagrożeń o charakterze asymetrycznym). Celem artykułu jest osadzenie kwestii bezpieczeństwa na gruncie nauk ekonomicznych i podejmowanie prób analiz problemów we współczesnych warunkach gospodarowania przy uwzględnieniu ewolucji roli państwa narodowego.

**Słowa kluczowe:** ekonomika bezpieczeństwa.

### **The economic dimension of security**

### **Abstract**

The issue of common relations between the security system and the national economy is examined by a relatively new subdiscipline – national security economics. It remains crucial to define the contemporary security determinants (in the conditions of a multipolar system and the array of asymmetric threats) as well as the role of economic science in making strategic decisions for national security.

**Keywords:** national security economics

**JEL CODE:** H41, F52

### **Introduction**

Security has recently become a popular research topic among representatives of many disciplines of social sciences. As part of economic research, security research is conducted within one of the specific field of economics, i.e. national security economics. It is a relatively new scientific subdiscipline, dating back to the 1920s (then war economics under military art, later under military science). War economics, sometimes referred to as military economics, despite concerning somewhat different areas of research, focused on the quest for interdependence between the national economy and the war, or the use of economic resources for the purposes of warfare. In the post-war period, the term defense economics was often used, emphasizing the economic and defense dimension of the field and the issue of resource conversion for national defense. National security economics is the name that has been in use since the mid-1990s. In trying to define the scope of national security economics, one can say it is a subdisciplinary study of relations between the national security system and the economy. It defines the directions of national economic and defense policy and creates the basis for optimizing the use of resources for national security. This discipline is located on the interface of economics and security sciences - the subject of interest is security, while research methods and techniques are derived from economic sciences. Within national security economics, detailed research problems include: national economic security (concerning energy and resource security, financial security, food security), strategic resources and reserves, defense industry potential and human resources for security. This article concerns one of the main areas of research within national security economics, namely economic security (Płaczek 2014, pp. 41-42). The purpose of the article is to ground the problem of security in economic sciences and

attempt to analyze problems in modern economic conditions, taking into account the evolution of the role of the nation state in that respect. The issues of economic security, economic warfare and the progressive “neo-liberalization” of the state were reviewed in this paper.

### **Economic security and its definitions**

Economic security is an area of interest for economics as well as other social sciences. This is partially due to the interdisciplinarity of economic security, but also to the various research perspectives held in relation to it. Economic, social and political realities require considering security as the overriding human (community) need understood as "lack of something necessary for the preservation of life, development and retainment of the social role" (Stachowiak 2012, p. 38).

Security is an example of a non-rivalrous public good, from whose consumption no member of a given community can be excluded. Decisions on the delivery of public goods are the result of public elections and political decisions (Stachowiak 2012, p. 42). Security, as a public good, shares common characteristics with other goods included in this category, such as usability as a determinant of consumer satisfaction. Providing security requires appropriate resources and the associated overheads distributed over time. As a public good, security additionally determines the consumption of other goods and services, constituting a fundamental good and at the same time being complementary to the values covered by the scope of security.

The delivery and production of security rests on the state at institutional level. One of the areas of security is economic security (Stachowiak 2012, p. 42). The condition of effective security (economic security included) is the sovereignty of the subject, in this case the state. "In spite of the progressive integration and dynamics of the formation of integrative groups, sovereignty remains the exclusive attribute of states and is the essence of statehood. The intensification of globalization and fragmentation processes has raised questions about the opportunities and ways of responding to the emerging challenges and threats in international relations, including the sovereignty of the state. This dilemma mainly refers to the further functioning of the international system based on national states and their ability to operate effectively in an increasingly globalized world driven by turbocapitalism "(Grącik-Zajączkowski 2011, p. 234).

From the standpoint of economic security analysis, it is important to define the economic sovereignty of the state. The inability of effectively influencing the course of economic processes or maintaining public order is interpreted as loss of sovereignty. Economic sovereignty is understood as the specific control exercised by public authorities over the transnational flow of goods, capital, people and ideas (Grącik-Zajączkowski 2011, p. 237). The national state continues to be the main actor in terms of security provision (economic security included), although its role in that regard is changing in connection with the intensifying process of globalization that is soon to become hyperglobalization. The sovereignty of a given state can be limited in the name of “greater purposes”, such as to protect the lives and health of endangered people in fallen states or non-democratic regimes. Currently, new and unusual phenomena and economic processes are jeopardizing national stability. They concern areas such as the ability of the economic system to adjust internal and interrelated economic factors so that they provide stability to the state; the derivative of stabilizing and destabilizing factors for security and development of national economy; a balance of needs to ensure stability and economic development and the ability to meet them; state of development of the economy and its structures enabling effective counteracting of negative factors undermining the state of the economy and the stability of the socio-political system and defense capabilities of the country; representations of real and potential threats to the state's economic structures; degree of vulnerability to the transfer of actions aimed at undermining national security and stability through the economic field (Ciszek 2013, p. 49).

According to Księżopolski (2011), economic security is the undisturbed functioning of economies, i.e. maintaining basic development indicators and ensuring a comparable balance against the economies of other states. The author of this article distinguishes four dimensions of economic security, which are logically interrelated and interdependent. These are: finance, raw materials and energy, food, and access to clean water. The concept of economic security reflects not only the harmony of certain economic quantities – at both macro and micro level – but also the numerous challenges and threats whose overcoming requires the effort of the whole society. Challenges and threats are rooted both in the internal system of a given country (political efficiency or inefficiency), but also increasingly in the development and functioning of the global economy as a whole (Stachowiak 2012, p. 45). "National economic security is a relatively balanced, endogenously and exogenously speaking, state of the functioning of the national economy, where the existing risk of imbalance is maintained in defined and acceptable organizational and legal norms and principles of social coexistence" (Raczkowski 2012, p. 81). According to K. Zukrowska, meanwhile, "[e]conomic security (...) means conditions of harmonious development, which allow to provide a balanced prosperity of citizens of the state. (...). In macroeconomic terms, security is the stability of employment, low unemployment rates, predictable development prospects of the economy characterized by financial liquidity. In microeconomic terms, it is the solvency of a household or a business. In both cases, it comes down to the ability to balance out liabilities with respect to needs in the medium term" (Żukrowska 2013, p. 35). Economic security is a derivative of economic development factors and barriers that impede it; the state of the economy and its structure and economic relationships that can effectively counter negative externalities potentially affecting the national system stability, disrupt economic development, or reduce the defense potential; the general state of economic dependence, determining the degree of effectiveness of external economic interventions in internal economic development; expressing the degree of vulnerability of a given country to the transfer via the economic plane – mainly through the transmission by channels and mechanisms of economic dependence – of political actions aimed at undermining state security (energy blackmail, currency and capital market speculations); the balance of development needs and the possibilities of their satisfaction (Stachowiak 2012, pp. 45-46). The presented definition fully reflects the essence of economic security as an area of national economic policy and the realm of international relations.

### **National economic security in the face of globalization**

As noted by U. Beck (Beck 2005, pp. 128-131), the paradox of the neoliberal understanding of the state appears in the present phase of development. On the one hand, the so-called financial markets expect the minimal involvement of the state, subordinated to the rules of competition and open to the expectations of trans-Atlantic capital. On the other hand, the efficient deregulation and privatization of sectors traditionally dominated by public ownership cannot be expected from an institutionally weak state unable to function effectively. The strong state is expected especially in the aspect of border control and movement of persons. The progressive globalization of capital does not exclude the sealing of borders and the intensification of population movements. It is, therefore, not realistic to give up, and sometimes also to strengthen, the political power and autonomy of governments. The state is expected to sanction undemocratic rules of play – unlimited freedom for capital flows and rigorous control over the movement of the population, arising both from economic (migrations from suburbs to city centers) and political and security-related incentives (fear of terrorism). Beck argues that "in order to achieve the goal of neo-liberal restructuring of the world, it is necessary to simultaneously minimize and maximize the power of states" (Beck 2005, p. 128). The rise in support for protectionist practices and increased popularity of nationalism, anti-capitalism, ecoterrorism, support of national democracy and a strong state, xenophobia and religious fun-

damentalism can be a form of social response to progressive globalization and neoliberalization. Many people believed that democracy and capitalism went hand in hand, but as it turns out major financial market players were not worried or concerned about what they should do to serve democratic states and societies. Rating agencies implicitly estimate the financial condition of the states, banks have become so conservative that the ruling politicians are unable to reduce their debts due to the resistance of private creditors, and investment banks continue to partake in speculation.

State authorities chosen in democratic elections are limited in their ability to influence, so they are mainly concerned with debt administration and cutting down public spending, and in doing so inciting social tensions and political radicalism (Bartz 2013, p. 28). Researchers point to the growing contradictions in the development of individual countries and geographical areas. Many places – Africa, Syria, Ukraine – are suffering from local armed conflicts, which are nothing but wars waged on resources and zones of influence. At the same time, one must bear in mind the bloodless rivalry that involves technology theft, intellectual property disputes, destruction of natural resources and exploitation of labor resources, which collectively form the new slavery of human trafficking (Kleer 2015, p. 152). The fragility of national institutions and the specific reversal of roles (the primacy of economic power over democratically accomplished social and legal order) potentially push the state towards bankruptcy, in a scenario analogous to that observed in the corporate sector. The market for loan capital providers is about setting goals and shaping the economic policies of individual countries. In a relatively easy way, the economy of a country can be swept to the brink of insolvency, especially if the political power is weak, has low intranational legitimacy and is unable to pursue effective international policy.

### **Geoeconomics and economic warfare**

Under these conditions, a new paradigm is developing in international relations, being referred to as geoeconomics (considered a soft force in contrast to military instruments), which is successively overtaking geopolitics. According to Edward Haliżak (Haliżak 2012, p. 48), geoeconomics is geared towards the pursuit of two goals: national power defined in terms of wealth and competitive advantage (this is to ensure the most localized attractiveness for portfolio investments and direct investments in services and production) and maximizing access to geoeconomic space (access to resources, factors of production, protection and support of national economic entities, possibility of locating tangible assets in order to take advantage of management returns to scale). Geoeconomics, therefore, requires a strategic approach and actions relevant to the economic policy of the state. Geoeconomics is the expression of a modern approach to defining the role and power of the state in the international arena. Military power no longer plays a crucial role (which is not to say its significance can be completely ignored), but rather complements economic power (based on knowledge, information and technological resources). Liberalization is the essence of the geoeconomic approach, leading to the blurring of national borders. For this reason, it is a mistake to equate geoeconomics with economic nationalism typical to post-colonial states (with extensive instruments of protectionism) (Neu, Wolf 1994, pp. 69-72). Geoeconomics can, on the other hand, be associated with soft power and a desire to dominate, but the rules of the game are determined by the market and economic calculation, rather than diplomatic endeavors and military relations.

Another instrument of influence is known as "economic warfare" and it largely resembles cold-war relations, being typically implemented between non-democratic states. War as a social phenomenon has been associated with humanity for centuries, with researchers arguing about sources, causes and rationality of wars. Today, especially the representatives of the liberal trend in international relations, are prone to back the view that democracies do not wage open wars. There is, however, an element of aggression in inter-state relations. David M. Buss (2003, pp. 309-315) and Krzysztof Drabik (2013, p. 232) distinguish at least a few sources of

aggression that lead to wars: seizure of property, hierarchical fight for dominance, defense against attack, deterrence of potential aggressors. From the standpoint of the economic dimension of war, it is interesting to consider an evolutionary psychology hypothesis that speaks of the need for resources that surpass human consumption. As noted by K. Drabik, "[m]an is not satisfied with *merely* adaptive goods, so he does not stop at the level of competition, he needs something more, which is the fulfillment of desires born in what is specific to his nature - he understands and therefore needs war. Perhaps this is the kind of reason that is *corrupted*, one that goes beyond what is really necessary because of the need for adaptation" (Drabik 2013, p. 233). A specific kind of war is economic war, often termed economic warfare. It does not involve a direct invasion, but is rather a combination of various economic instruments aimed at destabilizing the subject (state) that becomes the target area of aggressive influence. "Economic warfare is a set of economic and military actions aimed at undermining or destroying the enemy's defensive and economic potential" (Stankiewicz 1996, p. 204). In addition to the strictly economic interference of the economic warfare, diplomatic, administrative, information and psychological instruments are also used. Economic warfare relies on specific tools and instruments. Table 1 lists the different measures of economic warfare. These are both military and non-military - depending on the circumstances, some of the funds may be classified as either. Non-military action may resort to propaganda, but in can easily border on military when used with the support of military troops. An invisible lockout may manifest, such as the collusion of financial institutions to hinder access to capital, or it may rely on speculative activities in the country's bond market (Kubisiak, Bomb 2012, pp. 50-51).

**Table 1. Economic warfare instruments**

Economic warfare instruments				
Non-military			Military	
Administrative measures	Diplomatic measures	Economic measures	Unconventional measures	Military measures
<ul style="list-style-type: none"> <li>- export embargo,</li> <li>- import embargo,</li> <li>- administrative repression (against states and/or citizens);</li> <li>- economic assistance,</li> <li>- blacklisting</li> <li>- preventive purchases</li> </ul>	<ul style="list-style-type: none"> <li>- exerting political pressure</li> <li>- boycott</li> <li>- propaganda</li> </ul>	<ul style="list-style-type: none"> <li>- traditional tariff measures,</li> <li>- traditional non-tariff measures,</li> <li>- concerning currency and finance (contemporary)</li> </ul>	<ul style="list-style-type: none"> <li>- money counterfeit,</li> <li>- operation of consulting firms,</li> <li>- allocation of ecological threats,</li> <li>- international economic crime,</li> <li>- inciting the threat of armed conflict</li> <li>- policy of stability disturbance</li> </ul>	<ul style="list-style-type: none"> <li>- occupation of strategic industrial areas,</li> <li>- attacking the merchant fleet,</li> <li>- attacking economic objects and technical, economic and defense infrastructure.</li> <li>-</li> </ul>
			<ul style="list-style-type: none"> <li>- business intelligence</li> <li>- economic blockade,</li> <li>- diversion,</li> <li>- sabotage</li> </ul>	

Source: Bomba, Kubisiak 2012, p. 51.

## Conclusions

This article discussed the selected areas of analysis in national security economics. Particularly important is the evolution of the role of the state in shaping economic security against globalization. It is fundamental today to look for sources and methods of achieving a high position in rivalry between states by means of peaceful diplomacy, without using military

force, based on the correct assumption that democracies do not wage wars. Geoeconomics has therefore become a rapidly growing field in contemporary international relations. However, the necessity of using widespread economic warfare instruments in the competition for the allocation of resources to maintain comparative advantage over other states remains controversial. In this context, the flexibility and ability of the state to cooperate within the framework of international groupings, and opt for win-win arrangements under certain favorable circumstances, is crucial.

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