



TECHNIUM
SOCIAL SCIENCES JOURNAL

Vol. 35, 2022

**A new decade
for social changes**

www.techniumscience.com

ISSN 2668-7798



9 772668 779000

The growing importance of economic security in the new paradigm. Towards a new definition of economic security

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Abstract. The contemporary world is undergoing profound processes of change, many of them unprecedented in terms of the scale on which they occur and their content or effects. In such a troubled context, the issue of security is becoming more acute by the day. All these changes involving a multidimensional security environment have generally become more acute with the (at least apparent or provisional) end of the Cold War. In that context, the bipolar world disintegrated in a very short space of time, the global security environment was suddenly unsupported and the balance of power was upset. The post-Cold War world needed a new global balance of power, but this was slow to emerge and the state of conflict in the international environment grew more and more tense. Alongside the classic challenges to (inter)national security, new problems have emerged, such as the demographic explosion, the increasingly bleak prospect of a global food crisis, worsening social problems of all kinds, mass migration, the growth of terrorism and new forms of terrorist action (most recently with the possibility of using unconventional weapons from the NBC spectrum), the emergence of global climate change and a whole host of other effects from all these phenomena. Thus, security concerns have become ever greater as traditional security paradigms have collapsed one by one.

Keywords. economic security, political science, individual security, state entity, policy, regulation

The economic security of any state depends to a large extent on the economic ideas, tendencies and doctrines that the political power of that state has embraced and implements. In the evolution of economic thought, since the Renaissance (but especially in modern history), the economic doctrine and trend of **mercantilism**¹ appeared, specific to the economists who were followers of scientific realism in the 20th century. In the mercantilist view of economics, the state was the primary manager of the main social and political goals of a nation, with a view to achieving and preserving its welfare as permanently as possible; at the same time, the state was the main provider of security for any economic activity.

From this perspective, both mercantilists and later neomercantilists considered that the economic dimension or component of security would be nothing but a priority part of national

¹ Charles Fourier, *Economic works*, Publishing House of the Academy of the Socialist Republic of Romania, Bucharest, 1966.

security. Therefore, the model of a successful state is one in which we have a positive trade balance. Thus, mercantilists considered trade (the basic component of the economy) to be the source of prosperity and therefore the basis of national security. Such a mercantilist conception of national security is best expressed in the volume of the money stock in the country at any given time. Increasing the volume of this stock should therefore become the central concern of the structures dealing with national security, as the main instrument for achieving prosperity. Welfare is directly related to the degree of state security. Thus, a rich state will also be strong, guaranteeing with this wealth both stability and well-being.

History has shown us that the most robust state structures (in all respects, but especially in terms of security) were empires, which generated their wealth by intensively exploiting their colonies, obtaining economic resources in huge quantities, but almost free of charge, without having to buy them from their real owners. One of the great flaws in the concept of mercantilism was the exaggerated importance they gave to importing resources from the colonies, without much regard for the way in which these resources were subsequently managed in their own economy and how they were used in the economic circuit. Building on the teachings of the mercantilist period, in the era of **economic liberalism** (from the 18th century onwards), it was accepted that both trade and local factors of production (in the state under study) increasingly contributed to the achievement of good governance and the establishment of a more realistic order of law, closer to the needs of the social. This significantly increased both individual freedom and security, from individual to national².

Basically, the essence of **the doctrine of liberalism** (in its classical, early version) was the establishment of the free economy and its consideration as the basis of any social construct. It was therefore concluded that the market must necessarily be allowed to function as freely as possible, without direct state intervention and even without any external influence. In this way, the liberal view considered that the state was only meant to provide the laws and establish the state of security in political and military matters, only supporting the national economy so that it could function as freely as possible. From this perspective, in the liberal view, the main purpose of national security would be to ensure the creation and development of rules that generate mobility, but also the balance of the national economy. In this way, liberalism has given the concept of economic security a new meaning, considering that one can distinguish between, on the one hand, the **security of inter-state relations** and, on the other hand, the important **economic security of individuals**³. In this vision, the concept of homo-economicus emerged as a new type of individual that should form a modern society⁴. In this way, individual interest became the promoter of the development of the whole state. In this view, it followed that free economies became the guarantor of political and economic stability and the main pillar of the security system⁵. Subsequently, the liberal principle "*laissez-faire, laisser-passer, le monde va de lui-même*" was to develop, a principle upheld in contemporary history by the renowned neoclassical economist Alfred Marshall. He stressed that in any economy there must be forces tending towards equilibrium, especially in the supply-demand mechanism, which underpins the functioning of the economy. Classical liberalism aimed above all at empowering

² Pierre Bourdieu, *L'essence du néolibéralisme*, "Manière de voir" no. 2010/8 (no. 112), p. 11.

³ Robert Jackson, Georg Sørensen, Jørgen Møller, *Introduction to International Relations: Theories and Approaches*, Oxford University Press, Oxford, 1999.

⁴ *Ibidem*.

⁵ Adam Smith, *The Wealth of Nations*, Publica Publishing House, Bucharest, 2014.

the individual and at the same time reducing collective solidarity, which led to the enclave of society and the formation of large gaps between rich and poor⁶.

Economic security has received increasing attention from specialists, especially since the end of the Cold War. Of course, this new domestic and international context has led to the formation of a new paradigm⁷, closely linked to political and economic democracy, general Western-type values and also the existence of a state model⁸ which can interfere quite a lot in free market mechanisms. At the borderline between the microeconomic and macroeconomic domains lies the whole mechanism dedicated to the functioning of markets and within which there are anomalies to the rule of perfect competition and everything that separates the real economy from theoretical models. By concentrating this whole issue we can obtain an original approach to the economy, especially from the perspective of its interaction with security, discovering a more important role of the policy of a government (the field of political security) and the regulations introduced by it in the functioning of the market economy, in the performance of the so-called meso-economy⁹. Corresponding to such an approach we will see in a different light the interaction between state and market, the full role of the economy in *the security equation*¹⁰. The object of the economy in the *new global paradigm* is the *management of national resources*¹¹ and the final destination of this activity: the creation of economic security. It is to these goals that most of the efforts of the other components of the security system are actually devoted. In such an equation, the state can normally play the role of referee, limiting its intervention to what is necessary to remove vulnerabilities, prevent risks and respond to emerging dangers. In a perfectly functioning and competitive market, this would mean that state involvement would be reduced to the effectiveness of governance, in particular through the adoption of good policies and the application of realistic and timely regulation, while striking a balance between these elements: policy and regulation. Such observations only lead us to the idea of a firm link between the political and economic components of national security¹². Building on this idea, this paper seeks to outline new solutions for national security, this time from a purely economic perspective. Achieving this optimal combination of the political and the regulatory system leads to the conclusion that the human factor (the government) retains the most important role, as does the way in which their perception of political and economic reality unfolds. The anthropic factor is present both in market mechanisms (practically, in the economy) and in the form of the political decision-maker, which proves that the human, subjective factor is introduced in both areas. This aspect links political security very closely to social and economic security. Although most often placed in the background of security analyses (at least in the view of the Copenhagen School), **individual security** is, in our view, the starting point for any realistic security study¹³. Because everywhere we encounter the subjective, human factor, as well as issues related not so much to the objective state of things as to people's perception of these realities. The reality of the political and/or

⁶ Pierre Bourdieu, L'essence du néolibéralisme, "Manière de voir" nr.2010/8 (nr.112), p.11.

⁷ Ashton B. Carter, William J. Perry, John D. Steinbruner, *A New Concept of Cooperative Security*, The Brookings Institution Press, Washington, 1993.

⁸ Luciana Alexandra Ghica, Marian Zulean, *National Security Policy - Concepts, Institutions, Processes*, Polirom Publishing House, Iași, 2007.

⁹ Andrei Marius Diamescu, *The security of the economy vs. the economy of security*, in "Economic Studies and Research" vol. 76-77, CIDE, Romanian Academy, 2009.

¹⁰ Napoleon Pop, *Economic risks - a challenge to national security*, Centre for Financial and Monetary Research "Victor Slăvescu", January 2006.

¹¹ Adam Smith, *The Wealth of Nations*, Romanian Academy Publishing House, Bucharest, 1962.

¹² Bertrand Russel, *Economy and Security*, European Institute Publishing House, Iași, 2004.

¹³ Ionel Nicu Sava, *Security Studies*, Romanian Centre for Regional Studies, Bucharest, 2005.

economic moment is such as to shape the state of security of a state, but more than that, the way in which this state of affairs is perceived¹⁴ (or not) will ultimately lead to concrete results in the making of security.

The contemporary world clearly presents a number of problems with major security implications: on the economic front, we have very high income inequality, the much too high level of public debt accumulated by many countries and its continuing upward trend, the effects of climate change which are becoming increasingly evident, the emergence of new challenges (pandemics, for example) which produce severe economic effects and hence security implications, etc. Such factors undoubtedly affect the ability of national systems (even in the case of industrialised countries) to withstand major disruptions over a long period of time (by surprise; according to the definition of the concept of crisis¹⁵), in other words, they undermine global stability, producing unpredictable effects on the medium- and long-term security environment. From the analysis of these harmful factors on internal and international security, we can see that they are clearly of an economic nature and therefore the sources of risk to global security come from economic sources. Therefore, we are talking about economic security as a field of reference for the general security of the state¹⁶. Another important influencing factor concerns the mechanisms of economic crises and those underlying major market fluctuations, as the market economy does not currently leave much scope for state intervention. The market economy is considered to have self-regulating mechanisms, thus limiting state intervention. However, national or regional/global security do not have self-regulating mechanisms, and clearly require state intervention through its legal and institutional mechanisms for national defence and public security, the latter being the concrete areas of national security, at least in the classical sense of the term. Of course, it seems difficult to establish any link between the economy and the concept of economic security, on the one hand, and the specific areas of national security, on the other. Despite these appearances, the link is there, it is permanent and strong: national defence can be attributed to the idea of protection of the state's fundamental resources and the concept of public security to the feeling of confidence and positive perception of the existence of the state of security. The significance of these concepts that we can attribute to the classical areas of national security implies that the economic field will in reality go far beyond its apparent boundaries, giving rise to strong influences on the components of national security, some direct, some indirect. The protection of national defence also implies (among other things) the preservation of economic resources of strategic value, as well as the securing of private property; at the same time, it also presupposes at a subjective level the generation of a certain perception of the state of affairs, i.e. the creation and maintenance of a sense of trust in economic relations. In all these respects, economic activity will interfere with everything that concerns the values that underpin the rule of law: equality before the law, the supremacy of the rules established by law, the separation of powers, etc. In this way, in the economic field we end up with the confluence of the most important notions and values of the rule of law, which are also those that operate in the real economy and which are, in practice, the basis of the contemporary paradigm of economic growth. At least the history of the last 20 years has shown us repeatedly (including the financial crisis of 2007/2008, the economic effects of the migrant crisis of 2013/2015 and the economic crisis produced by the pandemic of 2019/2022) that it is

¹⁴ Bill McSweeney, *Security, Identity and Interests, A Sociology of International Relations*, Cambridge University Press, Cambridge, 1999.

¹⁵ Napoleon Pop, Amalia Fugaru, Valeriu Ioan-Franc, *On crisis, without anger and with judgement*, Expert Publishing House, Bucharest, 2010.

¹⁶ Bertrand Russel, *Economy and Security*, European Institute Publishing House, Iași, 2004.

through effects measured in economic indicators that it has been possible to quantify and assess the general crisis, and ultimately to determine solutions and methods of intervention, most often in the economic sphere. It can be seen in the case of all major crises that, regardless of their nature (financial, migration, natural disasters, pandemics, etc.) it is the **economic effects** that ultimately determine the state of the crisis itself, and the rescue intervention (whatever its nature) is most often based on economic mechanisms (humanitarian aid in the form of logistical medical, food or other support; financial aid for reconstruction, soft loans, etc). Without their existence and implementation, almost no crisis could ever be resolved. This only proves the importance of the existence of economic levers within the rule of law. The concept of the rule of law is directly linked to that of the market economy, but most often theorists of the rule of law forget that the economy in the state is not an independent structure, indifferent to the state and its development. We could say, from the perspective of the theory of the separation of powers in the state (according to the principles of the rule of law) that **the national economy is itself a power in the state**, because with the transition to the market economy and the concept of the free market, the structure and functioning of the economy has come to be less and less influenced by direct state intervention, but rather has acquired an existence of its own and a behaviour that is autonomous from that of the state. In this way, the national economy (strongly supported on the shoulders of private property and initiative and, above all, on the strong pillars of multinational companies¹⁷) began to become **a body in its own right**, yet called upon to form a true **symbiosis with the body of the state**. From the perspective of this necessary and permanent symbiosis come questions about the role and place of economic security in the national security equation.

The concept of national security has a large number of definitions, depending on the approach and ideology (school of thought) applied. During the Cold War period, there was a simplistic view of security, mostly focused almost exclusively on the national defence segment (military security and to some extent also political security, especially ideological security), with the generic activity of "preparing the economy for national defence"¹⁸. After the end of the Cold War, the phenomenon of globalisation¹⁹ (mainly in the economic sphere) led to the spread and imposition of democratic values and the shift to a certain form of organisation/operation of the economy based on the content of the above-mentioned democratic values. In particular, **globalisation** has meant the emergence and predominance (in the economy) of new players on the international scene, who are notable not only for their economic activity and power, but also for their political influence and even their influence on the military scene, because of the way in which they can provide funding for possible armed conflicts and through logistical transactions involving military technology; not least through the funding and conduct of research and development activities leading to the emergence and development of new technologies. In all these segments of activity, multinational companies²⁰ have become increasingly important, making them not only an important player on the global economic scene, but also on the politico-military scene. Overall, this leads to the idea of the emergence

¹⁷ Peter Drucker, *Trading Places. Mini Teaser: America has long been the world's number one economy. It won't be soon*, article in "The National Interest", 01st of March 2005.

¹⁸ Vasile Almaş, Ion Boată, Iosif Coman, Ion Perţ, Ion Vasile, *Contributions to the Study of Military Economics*, Military Publishing House, Bucharest, 1977.

¹⁹ Daniel Dăianu, *Some Thoughts on the Nexus Economy-Security*, presentation at the seminar "Romania's Security in the 21st Century", Institute of International and Strategic Studies, Bucharest, 2000.

²⁰ See OECD study *Multinational enterprises in the global economy. Heavily debated but hardly measured/May 2018*, published at <https://www.oecd.org/industry/ind/MNEs-in-the-global-economy-policy-note.pdf>, Paris, 2018.

on the global stage of power relations of non-state actors²¹ capable of representing important forces, through the accumulation of POWER and the effects they produce, inherently, in the balance of power formed between the traditional actors of the international scene: states²². Thus, we can see that the influence of the new international non-state actors on states does not occur primarily at the political or military level, but mainly at the economic level, with direct or indirect influences in all other areas. Such mechanisms of influence stem from the natural correlation between security and the economy, in the sense that the economy has always made a major contribution to ensuring and maintaining national security. Such a correlation helps us to argue the increasingly important place (in the context of globalisation, the welfare state, the market economy, integrating all these into a common equation) that economic security is taking in the national security system, often becoming a determining factor²³.

In this increasingly fluid and unpredictable global environment, the process of globalisation has added an extra layer of difficulty for those seeking to formulate concrete security solutions. Far from claiming to solve any of the major problems of the contemporary world, in this paper we seek to approach the security issue in a less usual way, excluding purely political or military aspects, as well as issues that are linked to the hegemonic confrontation between states and classical sources of conflict. Instead, the issue of globalisation and, in particular, the interaction of this phenomenon with security at international and national level is addressed. In our view, the solution to security problems (in peacetime) is strictly linked to the economic component of security. According to this new approach, we make a broad analysis of Romania's economic (security) evolution after the Second World War, trying to identify the major mistakes that led to the birth or aggravation of security problems.

Thus, we believe that the solution to many security problems lies hidden in the way in which the states of today's world understand to adapt to the course of globalisation. On the basis of these observations and concerns, we seek to explain the influence of globalisation on security and finally, to propose concrete solutions aimed at building and maintaining national security despite the above-mentioned dire conditions. In doing so, we seek to offer a model for approaching national security based on sustainable solutions. And the whole approach is made from a strictly economic perspective, based on Romania's concrete or potential resources.

Consequently, in the current international context, we will not be able to speak of a true establishment of sustainable national security unless and only if we have previously identified, materialised and operationalised an effective (and efficient) system aimed at the rapid and easy integration of the state into the mechanisms of globalisation, using in particular economic levers of action.

Last but not least, the current trends in the security environment have already demonstrated the need for integrative approaches that deal with the five dimensions of security in a unified manner (according to the Copenhagen School theory) so as to achieve both unified courses of action (producing multidimensional effects) and ways of linking the five components in such a way that the effects of one of these components at a given time have corresponding effects on the others.

The national security of a contemporary state will have to be an integrated and fluid system, rapidly adaptable to changes that may occur in a highly volatile and unpredictable

²¹ Pascal Boniface, *The Strategic Year 2007. Analyse des enjeux internationaux*, Editure de l'Institut de Relations Internationales et Stratégiques, Paris, 2006.

²² Dan Tomozei, *The State in the 21st Century. The Chinese Model*, Corint Publishing House, Bucharest, 2016.

²³ Andrei Marius Diamescu, *Economic foundations of the national security system*, in "Economic issues" vol. 349-350, CIDE, Romanian Academy, 2009.

security environment. This being the case, the present paper has sought to capture all these aspects and, in the end, to produce a set of critical observations (on the current course of action) and also a set of concrete proposals on the course of action that would allow (in our view) a rapid adaptation at no great cost (of any kind, financial, social, etc.).

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