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## **ECONOMIC SECURITY**

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(draft version; work in progress)

### **1. Introduction**

The debates on the interpretations of security have become one the most important factors stimulating theory of international relations and of related areas in the beginning of the 21<sup>st</sup> Century. In the present debate on changes in international relations special attention is paid to the concept of broadening and deepening of security. Most of the discussions on security are concentrated upon rather doctrinal issues - security for whom, how and according to which norms. Less attention is being paid to the question: **What security is about?**

Two questions are thus arising. Can a broadened and deepened idea of security in international relations be used as a foundation of a more rigorous research? If the first answer is "yes" then another question must be put before: How the concept of security can be used as an analytical instrument of IR theory, and subsequently, as a good point of departure for improved decision making in security policy.

These questions are dealt with in author's research (Mesjasz 2004). Analytical properties of security should be concentrated firstly on its adequate definitions and interpretations. Following the concepts of broadened and deepened interpretations of security, each domain – military, political, economic, societal, environmental and informational can have its specificity.

The aim of this paper, constituting an element of broader research, is to present an introductory study of specificity of economic security. In addition to the author's background, selection of security in that domain is not incidental. Economic security as theoretical/analytical concept can be characterized by the following features:

- broad scope of meaning,
- difficulties with defining, both in "objective" classical terms and in constructivist approaches,
- strong links with security in other domains.

## **2. A survey of approaches to security**

It will likely never be possible to elaborate a comprehensive definition of security. The collection presented herein reflects but the directions of evolution of the concept of security. It must be also underlined that the term security can be used in three meanings.

- "traditional meaning" - security as an attribute of state, absence of military conflict - "military security",
- security used in a broader sense yet still referring directly to the phenomena taking place in international relations, or directly/indirectly caused by inter-state relations
- security as a public good,
- security in a universal sense (of a unit and of a social entity) - human security.

Etymological discussions on the English notion "security" are twofold. In the first approach the term security is deriving from Latin *securus* safe, secure, from *se* without + *cura* care - the quality or state of being secure or as a freedom from danger (freedom from fear or anxiety). In the classical sense security - from the Latin *securitas*, refers to tranquility and freedom of care, or what Cicero termed the absence of anxiety upon which the fulfilled life depends (Liotta 2002, p. 477).

In the second interpretation, the English word "security" originates from the Latin word "*se-curus*". "*Se*" means "without" and "*curus*" means "uneasiness." That is, "security" originally meant liberation from uneasiness, or a peaceful situation without any risks or threats. The English word "security" has a wide range of meaning including "to feel safe," and "to be protected" and is used to describe a situation without any risks or worries<sup>1</sup>.

In other discussions on security some classical concepts are recalled (Møller 2001): "In his seminal work on Realism, Hans Morgenthau thus hardly bothered to define "security".

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<sup>1</sup> This discrepancy will be studied in further research.

The closest he came to a definition was: "National security must be defined as integrity of the national territory and its institutions" (Morgenthau 1960). In another connection, he added "culture" to the list, emphasizing that the "survival of a political unit in its identity" (i.e. "security") constitutes "the irreducible minimum, the necessary element of its interests vis-à-vis other units" (Morgenthau 1971, p. 219).

A more comprehensive definition of security was proposed by Arnold Wolfers (1962). This definition has become a "standard" in IR theory (Møller 2001): "Security, in an objective sense, measures the absence of threats to acquired values, in a subjective sense, the absence of fear that such values will be attacked".

It must be reminded, especially when the increasing role of economy and finance is considered, that in economic terms security is a "public good" which provides benefits to *all* members of a community as soon as it is made available to any one person. Such a good is collectively consumed by everyone in a community, and it's impossible to charge for its use.

This collection of definitions of security used in the project is in the making and will have to be developed along with relevant typologies. It should be supplemented with an explanation of human security - the broadest and the deepest concept of security, which is now dominating the debate in security theory and policy.

"The concept of security must change-from an exclusive stress on national security to a much greater stress on people's security, from security through armaments to security through human development, from territorial security to food, employment and environmental security" (Human Development Report 1993 - [www.undp.org/hdro/e93over.htm](http://www.undp.org/hdro/e93over.htm)).

For too long, the concept of security has been shaped by the potential for conflict between states. For too long, security has been equated with the threats to a country's borders. For too long, nations have sought arms to protect their security. For most people today, a feeling of insecurity arises more from worries about daily life than from the dread of a cataclysmic world event. Job security, income security, health security, environmental security, security from crime-these are the emerging concerns of human security all over the world. (..)

Human security is relevant to people everywhere, in rich nations and in poor. The threats to their security may differ-hunger and disease in poor nations and drugs and crime in rich nations-but these threats are real and growing. (...)

Most people instinctively understand what security means. It means safety from the constant threats of hunger, disease, crime and repression. It also means protection from

sudden and hurtful disruptions in the pattern of our daily lives-whether in our homes, in our jobs, in our communities or in our environment (Human Development Report 1994 - [www.undp.org/hdro/e94over.htm](http://www.undp.org/hdro/e94over.htm)). In another short declaration, human security is to be concentrated on "...survival, daily life and dignity of human beings" (Sen 2000, p. 1).

### **3. The core of the concept of security**

Instead of presenting a survey of interpretations and reinterpretations of security and discussing the broadening and deepening of that concept, it seems worthwhile to rethink what security is about, and why does, if so, this idea requires reconceptualization.

Initially, in a narrow realist, or later, neorealist approach, military security was an attribute of relations of a state, a region or a grouping of states (alliance) with other state(s), regions, groupings of states. It was also referred to as "international security". It is obvious in such sense that security had a strong positive interpretation. Security was viewed as an absence of threat or a situation in which occurrence of consequences of that threat could be either prevented or state (region, alliance) could be made isolated from that.

Broadening the neorealist concept of security means inclusion of a wider range of potential threats, beginning from economic and environmental issues, and ending with human rights and migration. Deepening the agenda of security studies means moving either down to the level of individual or human security or up to the level of international or global security, with regional and societal security as possible intermediate points. While broadening can be attributed predominantly to attempts made by representatives of neorealist approach, then parallel broadening and deepening of the concept of security has been proposed by the constructivist approach associated with the works of the Copenhagen School (Buzan *et al.* 1998). This typology seems representative for most writings discussing reconceptualization of security, e.g. (Krause & Williams 1996), (Knudsen 2001).

Going further, it is necessary to look closer at the meaning of threat (existential threat), which can be perceived as a disturbance.. The disturbance (threat) could be resulting either from purposive actions by a "threatener", or natural phenomena or from their mixture. What must be also taken into account that the course of events perceived as a threat usually leads to the outbreak of large scale conflicts and the use of violence. Character of the threats should be a topic of further investigations.<sup>2</sup>

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<sup>2</sup> Fischer (1993, p. 6) has proposed to replace "threat" with "danger". Threat may often have the connotation of a deliberate action pursued by a distinct threatener. Dangers are frequently not intended, whether stemming from natural or human sources. Buzan (1991, pp. 112-116) has suggested a distinction between threat and

Therefore the core issue in any security discussions is a broadly defined prediction, or identification of a threat which should make possible subsequent future actions - “emergency measures” - monitoring, prevention, elimination, isolation, etc. At the same time it is the most important theoretical problem of all security-oriented disciplines - assuming that their results must have any policy impact.

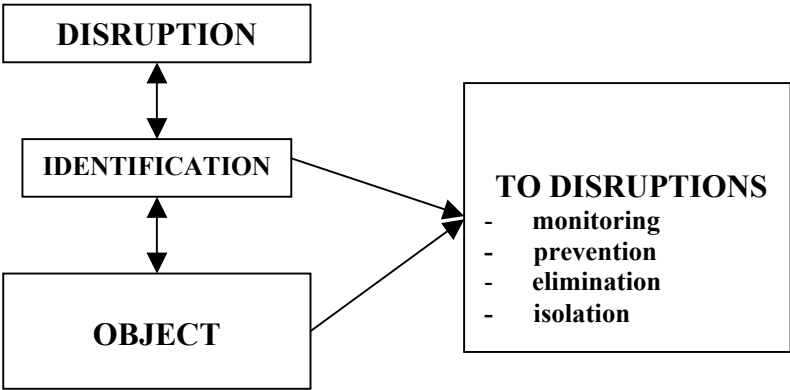


Fig. 1. The core of the concept of security

The “core scheme” of security can be extended in various directions by combination of the following attributes:

1. Reference object - state, region, alliance, society, various social groups - nations, minorities, ethnic groups, individuals, global system.
2. Areas in which existential disturbances (threats) are emerging (sectors) - political, military, economic, ecological, societal.
3. Methods of prediction (identification) of disruptions - beginning from search for “objective” threats and ending with subjectively perceived threats, also resulting from social discourse (“securitization”).
4. Methods of planning and accomplishing extraordinary actions aimed at monitoring, preventing or eliminating existential threats.

This simple scheme shows that all directions of development of the concept of security provide a ground for prediction (identification) of threats, and planning and preparations of actions, which in turn, are the main goals of any policy-oriented investigations into security. However, in contemporary discussions on widening and deepening of the concept of security

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vulnerability stemming from relative capabilities of states. The terms "existential threat", or "threat" as coming from outside and vulnerability as an inherent or relative feature of the referent object are used in the paper.

too much stress is put on two aspects of results of combinatorial operations with attributes of security:

1. Excessive universalization of security by covering too broad scope of issues - from global security to human rights.
2. Too far deepening of the concept of security, e. g. an idea of human security, which as a universal good is becoming a surrogate of other ethical values - well-being, health, happiness, etc.

In both cases the operational usefulness of the concept of security is weakened if not at all lost. It is especially visible in any attempts of prediction of threats and policy making at various levels of societal hierarchy.

#### **4. Reconceptualization of security**

Being aware of all directions of widening and broadening the concept of security it would be interesting to answer to the second question. Why was it necessary to reconceptualize security beginning from the late 1980s?

In order to preserve and develop analytical properties of the concept of security, a specific “middle-of-the-road”, eclectic, or even better, “common-sense” approach is proposed. The main aim of that approach is to combine at least declarative objective value of widened neorealist broadened security concept with the constructivist and at the same time “deepened” idea of security viewed as an “act of speech” (Buzan *et al.* 1998).<sup>3</sup>

In the eclectic approach security is referred to the following sectors: military, economic, political, environmental and societal. Following Buzan *et al.* (1998) the concepts of existential threat and securitization are used. Any public issue can be securitized (meaning the issue is presented as an existential threat, requiring emergency measures and justifying actions outside the normal limits of political procedure). Security is thus a self-referential practice, because it is in this practice that the issue becomes a security issue - not necessarily because a real existential threat exists but due to the fact that the issue is depicted as such a threat.

Discourse that takes the form of presenting something as an existential threat to a referent object does not by itself create securitization. It is solely a securitizing move and the issue is securitized only if and when the audience accepts it as such. Securitizations in

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<sup>3</sup> A “common sense” label is added since knowledge of ontology and epistemology of social sciences show that they can be neither purely constructivist nor objective in the positivist sense.

different sectors frequently cannot be separated. Securitization studies aims to gain an increasingly precise understanding of who securitizes, on what issues (threats), for whom (referent objects), why, with what results and under what conditions (Buzan *et al* 1998).<sup>4</sup>

A mirror concept of desecuritization must be also taken into account. It can be defined as a process in which a factor (threat) which under one “speech act” compels extraordinary measures in another “speech act” is presented as not requiring such measures (Wæver 1995). All other aspects of securitization like referent object, actors, moves, audience, etc., are also included in desecuritization<sup>5</sup>. Introduction of the pair securitization/desecuritization is but the first step in the discussion about relationships linking all their aspects.

A specific form of desecuritization is proposed. It can be called marketization and specifies how an aspect of social life, in particular sources of a potential or real existential threat, can obtain economic value and become a subject of exchange and bargaining. Desecuritization can be achieved by marketization accomplished by direct or indirect links (implicit or tacit bargaining) between security issues and economic (financial) issues. It can be, for instance, expressed in the linkage between arms reduction negotiation and negotiation on debt relief or trade negotiation.

An open question remains which concerns relationships between actors involved in marketization. On the one hand it can be stimulated by a neutral external actor, e.g. the IMF attempting to eliminate regional security threats by calling for limits on military spending by borrowing countries, external powers, international community. On the other extreme, desecuritization via marketization can, for example, result from bargaining of arms reduction in exchange for trade privileges or financial aid provided by a former adversary.

Although the “middle-of-the-road” approach is close to the initial ideas elaborated by Buzan (1991), it is also worthwhile to draw upon the constructivist aspect of the wider interpretation of security. It was of especially helpful in studying development of East-West relations where the meaning of threats was evolving from the mid-1980s until the end of the 20<sup>th</sup> Century.

The mixed approach to security is based upon the following assumptions concerning possibility of identification of threats and taking relevant actions:

1. Securitization/desecuritization must be the main focus of studies; processes of social discourse are treated here as mechanisms of securitization and desecuritization.

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<sup>4</sup> I In finance the term securitization means a method of loan risk management.

<sup>5</sup> These concepts are supplemented with complacency - nonsecuritization of apparent threats (Buzan *et al.* 1998: 57).

2. The mechanisms of threat identification and action planning within securitization must be analyzed and methods of its objectivization should be searched for.
3. It is necessary to bear in mind self-reflexive character of securitization and self-reflexive character of the studies of securitization, etc.
4. In addition to improving methods of classical forecasting, it is necessary to investigate what internal and external factors are influencing processes of securitization/desecuritization and what are the conflicting beliefs, perceptions and interests of the actors involved in that process; unbiased analysis of those views and interests could provide ground for limited predictions yet perhaps more reliable predictions.
5. In particular, the mechanisms of social learning must be taken into account; a concept of double learning loop widely used in management and in economics, can be applied solely as a source of inspiration since social learning in a broader scale is a much more complex phenomenon.
6. Since existential threats can be overlooked already in securitizing discourse, special attention must be paid to the norms determining the discourse and actions; similarly as in economics and in management, those norms must be under constant scrutiny and critical assessment; except a minimal set of commonly accepted rules of behavior, all norms and forms of “political correctness” must be constantly reviewed.
7. Due to the widening of the concept of security to other areas, the methods of dealing with uncertainty not only in the military sphere (security dilemma) must be taken into account.
8. Because of increasing role of economic and financial factors methods of dealing with uncertainty and risk in those disciplines have also to be considered in security policy and theory.
9. Despite the tendency for broadening and deepening the idea of security agenda to global issues on the one side and to human security on another, the studies of security concentrating upon already “traditional” sectors are sufficient for analytical purposes.



5. Security and social systems

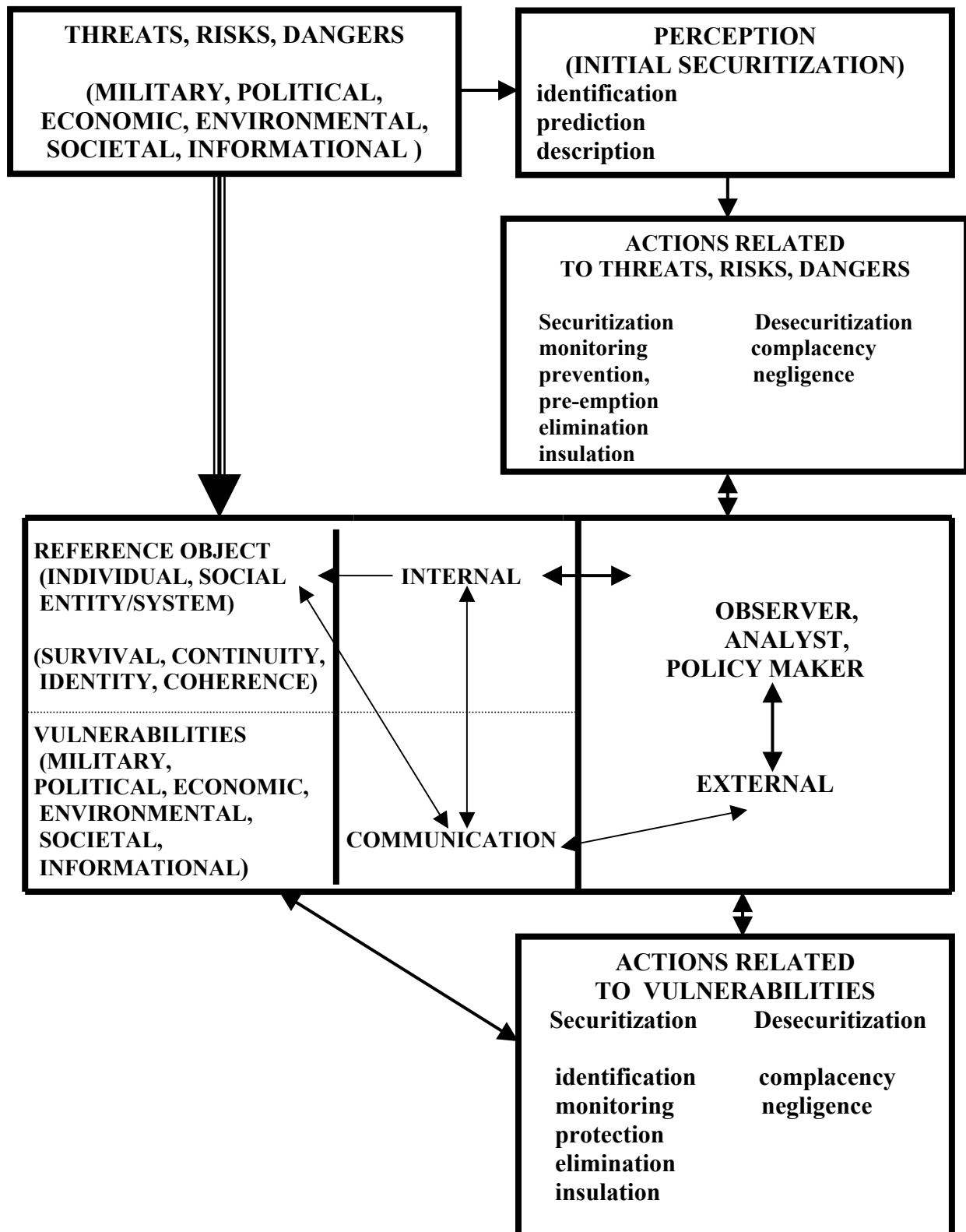


Fig. 2. Security as a property of social systems - a conceptual framework

The core concept of security presented in Fig. 1 can be viewed as a foundation for developing a broader idea of security which can be used for studying the links between security treated as a property of social systems and various concepts defined as systems thinking, systems approach or complex systems studies - see Fig. 2.

#### *Reference object*

Social entity (subsystem) and individual as an element of a system:

- dimensions of security - survival, identity, coherence (really, is the later the case - maybe something better, or perhaps identity is equivalent to coherence; perhaps a broadly defined identity),
- other systemic properties of a social system, which can be endangered.

#### *Threat, risk, danger*

- semantic distinction (if any) of threat, risk and danger,
- relations between meaning of those terms,
- securitization of social phenomena - threats, risks or dangers.

#### *Vulnerabilities*

- vulnerability as a systemic property ,
- relations between vulnerabilities and threats, risks and dangers .

#### *Prediction (identification) of threat (risk, danger)*

- classical approach - risk and uncertainty
- threat, risk and uncertainty and methods and limits of their prediction,
- two situations:
  - A. Present threat (risk, danger) - known consequences - deterministic features and unknown consequences
  - B. Potential threats - unknown features and consequences

#### *Actions*

- prevention, securitization, desecuritization, marketization
- elimination,

#### *Structural aspects of security of social systems*

#### Relations between domains

- links between military, political, economic, environmental and societal domains of security

#### Links between security of elements and security of collectivities

- security of individuals and of collectivities

*Attributes of a "secure" reference object (system of reference objects)*

- minimization of uncertainty, continuity, survival, increased capabilities of prediction
- stability???

*Inter-system relational aspects of security*

- which systems - units (states, other social entities - ethnic groups, etc.)
- security dilemma, relations with other social systems, relations with natural environment

The above attributes of security treated as a property of social systems will be developed in further studies. In result, a kind of "framework" for discussion of applications of various ideas of systems thinking in security theory and policy research<sup>6</sup>. They can be also used in a preliminary study of economic security.

## **6. Economic security**

Economic security is rather vaguely defined and includes several inherent contradictions. It is even impossible to define economic security in more or less precise way. Assuming that security is associated with a threat and or vulnerability it is frequently difficult to discern whether a purely economic category, e.g. competition can be treated as a threat stimulating extraordinary actions or as a positive determinant of economic effectiveness, .

Following the ideas of various authors, two basic trends in discussion on economic security can be discerned:

### **Ideological dispute:**

- international political economy debates concerning the nature of the relationships between the political structure of anarchy and the economic structure of the market,
- priority of politics or priority of market in international relations,
- dominance of liberal economic theory and practice and its consequences for security theory and policy,
- limits to securitization of economic aspects of social life,
- ethical aspects of economic security and its links with human security,

### **Theoretical considerations:**

- relations between economic security and other security sectors – political, military, environmental, societal, informational,
- systemic properties of economic security – identification, prediction, monitoring, etc.

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<sup>6</sup> Discussion on the links between security and systems approach has been presented elsewhere (Mesjasz 2001, 2004).

- links between various trends of economic theory and security theory and policy, e.g. neoclassical economics and dominance of :”rational choice”
- security as a public good and tendencies for privatization of threats and security
- applicability of methods taken from economy in analysis of security, e.g. relevance of economic methods of risk assessment

### **Identification of areas of economic security**

- local disruptions of economic and financial systems, plausibility of overall economic and financial crisis,
- success of market-oriented reforms as a precondition for political stability and security in other sectors,
- standards of living as indicators of economic security – overlaps with human security,
- corruption and other illicit economic activities as a security threats,
- negative consequences of economic growth, e.g. demography and security,
- environmental consequences of economic growth,
- preconditions of sustainable economic growth.

### **Economic aspects of defense and security**

- economic impact of defense spending – positive, negative or neutral,
- economics and management of defense industry,
- political role of military-industrial complex.

## **8. Conclusions**

The above conceptual framework should help in at least partial answering to the questions regarding specificity of economic security. It should be concluded that similarly as in other areas of security theory discussion, economic security is a disputable term. It is difficult to expect any successful attempts at elaborating more precise definitions security will be successful.

It must be also added that discussion on economic security is turning into more normative deliberations on economic misfortunes, e.g. unemployment, poverty, starvation, ecological insufficient amount of food, etc. Due to such an approach deliberations on economic security are losing their analytical value and they are transferred into sometimes void doctrinal disputes close to the discussions on human security. Therefore it must be underlined that a

systemic approach to security can be applied in more rigorous studies of all attributes of economic security.

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