

Béla JÁSZAY  
Péter FODOR  
Zoltán LAKNER

## COMPARATIVE ANALYSIS OF SOCIO-ECONOMIC SITUATION OF DIFFERENT STATES FROM NATIONAL SECURITY'S POINT OF VIEW

### **Abstract:**

*Based on a holistic approach of the national security concept, the article analyses the relative position of different states, representing approximately four fifths of the world population. The cluster analysis highlights the importance of harmonic socio-economic development as a necessary precondition of improving national security of Central-European states in a globalising world. The results show that Central European, post-transition countries characteristically differ from Eastern European ones but their socio-economic indicators still lag behind the more developed Western Europe.*

### **1 INTRODUCTION**

The concept of national security has considerably changed during the last decades. Originally, by the classical definition of Lippmann (1943), security in an objective sense, measures the absence of threats to acquired values, in a subjective sense, the absence of fear than such values will be attacked. A nation is secure to the extent to which it is not in danger of having to sacrifice core values, if it wishes to avoid war, and is able, if challenged, to maintain them by victory.

According to Wolfers (1952) to the beginning of fifties “national security” as a generally accepted term had been well established in collective mind of citizens but in those years the analysts applied this definition still in its narrow sense. The term national security, like national interests, was a general concept in the political discourse of international relations to designate an objective of politics distinguishable from others. “We know roughly what people have in mind if they complain that their government is neglecting national security or demanding excessive sacrifices for the sake of enhancing it. Usually those who raise the cry for a policy oriented exclusively toward this interest are afraid their country underestimate the external dangers facing it or is being diverted into idealistic channels unmindful of these dangers. Moreover, the symbol suggests protection through power and therefore figures more frequently in the speech of those who believe in reliance of national power.” Wolfers (1952).

Aron (1962) considers national security problem in a broader context. In his opinion national security is a function of different factors. These are as follows:

- Space occupied by this political unit,
- Material resources and the know-how,
- Extent of human resources and the method of transformation of citizens to soldiers
- The capacity of collective action.

In this way the author determines criteria objectives (space, material, number) and subjectives (capacity, moral) and one common goal (command, influence).

During second half of 20<sup>th</sup> century profound changes have been taking place in the scale, scope and management of international conflicts. Cross border conflicts have become a primarily small- or medium power activity and thus the attention of great powers has been focused on other types of conflicts. Wars have been conducted often unofficially, without former declaration of beginning or end. In the past, security strategy has often focused on external threats, and more specifically external military threats. Yet the nature of future conflicts may require that those concerned with preserving the state's monopoly on force look beyond such traditional categories as material capabilities and the control of military force by states.

Holsti (1995) argues that the security between states in many areas "increasingly depends on security within those states. A collective term encompassing both national defence and foreign relations. Specifically, two conditions provided by (1) a military or defence advantage over any foreign nation or group of nations, (2) favourable foreign relations position, defence posture capable of successfully resisting hostile or destructive action from within or without, open or covert."

It is a general tendency to apply a narrower sense of national security in political discussions even in most developed states. Atwood (1995) states that "We remain reluctant in this community to accept a broader definition of national security even when the facts cry out for such a definition. I am generalizing of course, but foreign policy and military professionals remain wedded to the notion than the word "strategic" for example, has a particular meaning. ... We hesitate in redefining national security out of fear that we will be seen as fuzzy headed and weak."

As it is emphasised by Daes (1990), national security means peace and stability in the community. The concept would seem to relate to measures enacting with a view to safeguarding territorial integrity and national independence from any external threat. It covers any activity prejudicial to the very existence of the state.

Laïdi (1992) summarised these objective criteria as logic of stocks. These (relatively easily measurable) quantities are characterised by Nye (1990) as hard power. The new elements of national security are called as logic of flux. The most important of these are as follows:

- economic interdependence,
- transnational dominance,
- complex interdependence.

Daguzan (2003) states that the key element of a power is control. The concept of control embraces the control of the flow of

- people, capital and know-how;
- information;
- media-information;
- violence;
- influence;
- environmental effects and norms;
- technology-related risks.

Power can be characterised by three dimensions. The criteria objectives are factors like technological superiority, control and development of knowledge, capacity to set universal norms, control of technology risk, anticipation, capacity of discrimination and selective destruction. Subjective criteria embrace social cohesion, openness, and flexibility. The third pillar is the set of goals: to know, to defend, to prohibit, to cooperate and to develop goals. In general sense, the term 'power' is the capacity to create, produce or destruct. Power on the international scene can be characterised by the capacity of a political unit, which is capable to impose his political will to another units.

Montbrial (2006) has considerably simplified this definition of national security by stating that we define power as a combination of potential and of passage to act.

As a summary it can be seen, that the majority of modern authors considers the national security in a broader sense.

## **2 RESEARCH METHODS**

National security of Central European countries, based on the above-mentioned, wider concept of security has been analysed on base of a cross-sectional sample of states. For the selection of states, four criteria had been considered: (1) embracing the larger Central Europe states' point of view; (2) representing the global situation, with special emphasis on developed, as well as emerging states; (3) choosing states, with a statistical information system capable of furnishing a wide range of reliable and comparable data; (4) limiting the number of states, to facilitate the work of data collection and analysis. Based on these considerations, 42 countries were selected, representing approximately 80% of population and 90% of gross output of the World.

Based on the theoretical considerations in the literature cited above, we have developed a five-factor conceptual model, as a framework of research (Fig.2). Statistical analysis of results was based on the Ward-method of cluster analysis (Wedel and Kamakura, 2000).

List of indices, applied for comparative analysis of states investigated, is summarised in Annex 1.

The name and ISO conform three digit abbreviation (ISO 3166) of states are summarised in Annex 2.

### 3 RESULTS AND DISCUSSION

From the point of view of economic performance and economic environment (**Graph 1**), it is obvious, that the majority of Central and Eastern European states could not fully overcome the historic lag in their development. Differences to more developed countries can be explained by similarities in economic environment, rather than by performance.

The research shows a sharp separation of Western European and North American countries. Central European countries show the most similarities to Mediterranean countries and emerging economies from other parts of the World.

AUT; BEL; CAN; DNK; FIN; IRL; NLD; NZL; SWE; GBR;USA	BRA; CHN; IND; MEX	BLR; MDA; ROM; RUS; TUR;
HRV; CZE; GER; GRC; SVN; ESP	AUT; FRA; ITA; JAP; KOR; NOR; PRT; CHE	BGR; EST; HUN; LVA, LIT; POL; SVK

**Graph 1**  
Cluster analysis based on economic development

Human resource development has been seen as the most important way of socio-economic modernisation of Central European states. Analysis shows that the last two decades were not enough to catch up with the most developed states, but in this case a more intense differentiation can be observed (**Graph 2**). Some Central European states were able to get into the same cluster, as some developed Mediterranean states.

AUS; AUT; BEL; CAN; CHE; DNK; ESP; FIN; FRA; GER; IRL; ITA; JAP; KOR; NLD; NZL; SWE; GBR;USA	IND;	BGR; BLR; HRV; ROM; RUS; TUR; UKR
BRA; CHN; MEX	MDA;	CZE; EST; HUN; GRC; PRT; LVA, LIT; POL; SVK

**Graph 2**  
Cluster analysis, based on human resource development indicators

Analysing the situation of political stability the separation of Central European states from states characterised by different geopolitical and socio-economic background is obvious (**Graph 3**).

AUT; BEL; CAN; DNK; FIN; FRA; GER; IRL; ITA; JAP; NLD; NOR; SWE; GBR; USA	AUS; NZL;	BLR; ROM; RUS; UKR
BRA; IND; KOR; SVN; MEX; TUR	MDA;	BGR; CZE; EST; GRC; HRV; HUN; LVA, LIT; POL; SVK

**Graph 3**  
Cluster analysis, based on indicators of political stability

As a summary, it can be seen that the last two decades seemed to be not enough to overcome the historic lag of the Central European region. In the era of globalisation and global threats the development of business infrastructure, human resources as well as stability of the society is gaining in importance from point of view of national security, so the concentration of resources on these spheres can be considered as an important contribution to the improvement of the security of these states.

## Annex 1

### List of indices of investigations

<b>Indicators of natural resources</b>	Company Innovation Orientation Index (COMPINN)
Air Index (AIR1)	Economic Competitiveness Index (population greater than 20 million) (COMPET)
Air Quality Index (AIRQ)	Economic Competitiveness Index (population less than 20 million)
Biocapacity Index (BIOCAP)	Economic Freedom Index (ECOFREE)
Climate Change Index (CLIMATCH)	Economic Freedom Index (Gwartney and Lawson) (ECONFREE2)
Domesticated Diversity Index (DOMDIV)	Economic Infrastructure Index (ECONI)
Ecological Footprint (FOOTPRI)	Economic Performance Index (ECONPREF)
Ecosystem wellbeing Index (ECWELLBE)	Environment for Information Technology Index (ENVIONFO)
Environment Index (ENVIRON)	Fiscal Burden of Government Index (FISBURD)
Environmental Stresses Index (ENVSTESS)	Food Output Index-FAO (FOOD)
Environmental Sustainability Index (ENSUSTIN)	Globalization Index (GLOBALI)
Environmental Systems Index (ENSYSTEM)	Governance Index (Knack and Kugler) (GOVERN)
Environmental Vulnerability Index (CIESIN) (ENVULNER)	Government Effectiveness Index (GOVEFF)
Fishing Pressure Index (FISHPRES)	Government Efficiency Index (population greater than 20 million) (GOWEFF1)
Foreign Direct Investment Confidence Index(FDI)	Government Efficiency Index (population less than 20 million)
Foreign Investment Index	Government Intervention Index (GOVING)
Global Atmosphere Index (GLATM)	Growth Competitiveness Index (GROWCOMP)
Global Stewardship Index (GLSTEW)	Import Concentration Index-UNCTAD (IMPCONC)
Inland Waters Index (INLWATQ)	Informal Market Index (INFMARK)
Land Diversity Index (LANDDIV)	Infrastructure Index (INFRASTR)
Land Index (LANDIND)	Innovation Linkages Index (INNLINK)
Land Modification Index (LANDMO)	Innovation Policy Index (INNOPOL)
Land Quality Index (LANDQ)	Innovative Capacity Index (INNOVCAP)
Local Air Quality Index (LOCAIR)	Legal Formalism Index: Check Collection (LEGFORM)
Pollution-Sensitive Human Development Index (POLSENS)	Legal Formalism Index: Tenant Eviction (LEGFORM1)
Property Rights Index (PROPRIGH)	Livestock Output Index-FAO (LIVEST)
Resource Sectors Index (RESSECT)	Macroeconomic Environment Index (MICRENV)
Resource Use Index (RESUSE)	Microeconomic Competitiveness Index (off) (MACRENV)
Social Water Stress Index (SOCWAT)	Monetary Policy Index (MONPOL)
Species and Genes Index (SPEC)	National Wealth Index (NETWEL)
Water and Environment Index (WENV)	Networked Readiness Index (NETWREAD)
Water Poverty Index (WPOW)	Opacity Index
Water Quality Index (WQ)	Openness Index (OPEN)
Water Resources Index (WRES)	Patent Rights Index (PATRIGHT)
<b>Indicators of economic performance and environment</b>	Public Institutions Index (PUBINST)
Agricultural Output Index-FAO (AGROUT)	
Banking and Finance Index (BFI)	
Business Efficiency Index (BEF)	
Cereals Output Index-FAO (CEROUT)	
Cluster Innovation Environment Index (CLUSIN)	
Communications Index (COMDEV)	

Readiness of Information Technology Index(READTECH)
Regulation Index (REGUL)
Regulatory Quality Index (REGFRAM)
Road Index (ROAD)
Rule of Law Index-Freedom House (RULE)
Rule of Law Index-Kaufmann et al. (RULE1)
Shareholder Protection Index (SHAREPR)
Social and Institutional Capacity Index (SICCAP)
Technology Achievement Index (TECHACHI)
Technology Index (TECHIN)
Technology Index: Cornelius et al. (TECHNOL)
Terms of Trade Shock Index (TTS)
Tourism Price Competitiveness Index (TOURPC)
Trade Policy Index (TPI)
Trade Protection Index (TRADPRO)
Usage of Information Technology Index (USEINFO)
Vulnerability Adjusted Development Index (VADEV)
Vulnerability Index (VULNER)
Wage and Price Index (WAGPRI)
<b>Indicators of Human resource development</b>
Disaster Proneness Index (DISPRON)
Education Index (EDUC)
Health and Population Index (HEALTHPOP)
Health System Performance Index (HEALTPER)
Human Development Index (HDI)
Human Tourism Index (TURISM)
Knowledge Index (KNOW)
Mother's Index (MOTHER)
Scientific and Engineering Manpower Index (SCIMAN)
Social Index (SOCPRO)
Social Progress Index (SOCSEC)
Water Access Index (WACCESS)
Water Capacity Index (WCAP)
<b>Indicators of social stability</b>
Civil Liberties Index (CIVILIB)
Community Index (COMMUNIC)
Consensus Democracy Index (CONSENS)
Control of Corruption Index (CONTCORR)
Corporatism Index (CORPORAT)

Corruption Perceptions Index (fix) (CORRUPT)
Crime Index (CRIME)
Democratization Index (DEMOC)
Employment Laws Index (EMPLOY)
Employment Protection Index (EPI)
Employment Protection Index (OECD) (EPIOECD)
Equity Index (EQUIT)
Ethnolinguistic and Religious Fractionalisation Index (ETRELFRA)
Ethnolinguistic Fractionalisation Index (ETNOFRA)
Export Diversification Index-UNCTAD (EXDIV)
Freedom and Governance Index (FREEDGOV)
Gender Empowerment Measure (GENDEMP)
Gender Equity Index (GENDEQ)
Gender-Related Development Index (GENDREDE)
GINI Index (fix) (GINI)
Happiness Equality (HAPPY)
Happiness With Life Index (HAPPYLIFE)
Happy Life Expectancy (HAPPYEXP)
Household Wealth Index (HOUS)
Human Poverty Index (HPI-1) value (%)
Human Poverty Index (HPI-2) value (%)
Human Wellbeing Index (HUWEL)
Industrial (Collective) Relations Laws Index (INDREL)
Migration Index (MIG)
Peace and Order Index (PEACE)
Political Rights Index (POLRIGHTS)
Political Stability (Kaufmann et al.) (POLSTAB)
Political Stability Index (Annett) (POLSTAB_A)
Press Freedom Index (PRESSFRE)
Religious Fractionalization Index (REGFRAK)
Social Security Laws Index (SOCSEC)
Unemployment Benefit Duration Index (UNEMPL)
Voice and Accountability Index (VOICEACC)
Health System Achievement Index (HEALTHSYS)

## Annex 2

### Countries and their abbreviations

Australia	AUS	Korea, Republic	KOR
Austria	AUT	Latvia	LVA
Belarus	BLR	Lithuania	LTU
Belgium	BEL	Mexico	MEX
Brazil	BRA	Moldova	MDA
Bulgaria	BGR	Netherlands	NLD
Canada	CAN	New Zealand	NLZ
China	CHN	Norway	NOR
Croatia	HRV	Poland	POL
Czech Republic	CZE	Portugal	PRT
Denmark	DNK	Romania	ROM
Estonia	EST	Russian Federation	RUS
Finland	FIN	Slovak Republic	SVK
France	FRA	Slovenia	SVN
Germany	DEU	Spain	ESP
Greece	GRC	Sweden	SWE
Hungary	HUN	Switzerland	CHE
India	IND	Turkey	TUR
Ireland	IRL	Ukraine	UKR
Italy	ITA	United Kingdom	GBR
Japan	JPN	United States	USA



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