NATIONAL AND INTERNATIONAL SECURITY IN A TIME OF GLOBALIZATION AND GLOBAL FINANCIAL CRISIS

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Abstract: The global security situation has significantly changed since the end of the Cold War and the bipolar division of the world. The fundamental changes in the global security environment have brought, besides a lot of positives, also a number of deformations, which have gradually started to assume the form of various asymmetric security threats. Occurring against the background of globalization and the ongoing global economic crisis, the emergence of new military and non-military threats is directly linked to the growth of requirements for national defense and security. As a result, national defense security, independence, sovereignty, combined with the protection of citizens' lives and property, belong to the basic roles which every state still needs to fulfill. For this reason, the author of the article deals with new security threats and analyzes the trends unfolding in the area of national and international security under the negative circumstances of globalization and the global economic crisis.

Keywords: Global security situation and environment, national defense, protection of citizens, military and non-military threats, globalization, global economic crisis.

1 INTRODUCTION

The consequential changes taking place on a global scale after the end of the Cold War and the bipolar division of the world at the end of the 1980s have been marked by an unprecedented acceleration of the development of human society in the early 21st century. Unlike in the past, today’s profound qualitative advances in all walks of life become manifest in the life span of a single generation. With the intensifying dynamics of technical, scientific, economic and social developments the potential of change is so immense that every state needs to pay undivided attention to an analysis of these evolutional tendencies, particularly in the field of defense and national security. This is especially true of the latter point, where the changes have been most far-reaching.

The last decade of the 2nd millennium was characterized by efforts to achieve stability in the world and to pioneer the transformation of the former Warsaw Pact countries, facilitating their transition from socialism to democracy, and centrally planned economies to market economy mechanisms. The gradual integration of the former Soviet Bloc countries into international institutions and their enlargement led to a conviction that this trend had increasingly contributed to fostering European and global security, with the threat of a worldwide conventional or nuclear conflict fading in the distance.

Unfortunately, the fundamental changes in the global security environment after the end of the Cold War and the collapse of bipolarity have brought, besides undisputed positives, also deformations. These have gradually become manifest in the form of different asymmetric security threats. While leaving a large number of long-term, regional conflicts unresolved due to a preoccupation with the East-West competition, the dynamic development and processes of globalization, social and economic modernization, political liberation, and technical and scientific advances have generated numerous negative side effects, including, notably, the constantly deepening economic and social differences in the development of human society, failing state institutions in the Third World countries, stagnation, and an inability to adapt flexibly to new conditions. These factors, combined with a sense of hopelessness over economic underdevelopment, have not only created favorable conditions for the existence of non-state actors, such as political, religious and nationalist extremists, but also transformed into phenomena referred to comprehensibly as new security threats.

2 PROVIDING NATIONAL AND INTERNATIONAL SECURITY IN A CHANGED SECURITY ENVIRONMENT

With the emergence of new security challenges, mainly resulting from international terrorism, organized cross-border crime, illegal migration and an increasing number of ‘cyber’ attacks on public and private computer networks, as well as from the use of the weapons of mass destruction, national defense and security, and protection of citizens have

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reached an absolutely new level. There is an ever increasing shift from the emphasis on providing defense against ‘visible adversaries’ (in terms of two military and political formations confronting each other) to providing defense against ‘invisible adversaries’ (in terms of new security threats)\textsuperscript{4}.

Mainly due to globalization, the contemporary developments in the world are accompanied by great economic disproportions. As a result, especially the Third World countries are exposed to increasing threats of local and regional conflicts, whose consequences may, more or less, spill over to other countries of the world. Another potential source of threat is represented by Islamist religious extremism and radicalism, which, to achieve its goals, uses whatever means available, including terrorism. Most importantly, this is not that kind of terrorism which has existed in the world for centuries but a terrorism which may affect anyone, anywhere and anytime, and which is, above all, aimed at delivering mass destruction of material assets and causing mass killings of innocent civilians. These are much more vulnerable than members of armed forces or law enforcement agencies. Similarly, civilian facilities are far easier targets than military installations or facilities of exceptional importance. At the same time, acts of terrorism attract the attention of media and spread fear and terror among the masses.

These consequential changes in the security environment, combined with the far-reaching economic changes, provoke not only new integrative but also disintegrative efforts in numerous countries and groupings. Even in this case the changes are linked to the phenomenon of globalization. This represents a highly dynamic multifaceted process, where political, economic, social, military-strategic, technological, ecological and other phenomena\textsuperscript{5} overlap and mutually interact. The hitherto evolution of globalization demonstrates that economic factors, which significantly influence other factors, and on the basis of which a new system of international economic and political relations arises, exert a decisive impact on the course of globalization. This new system has been replacing the post-WWII model and is governed by the free market economy mechanism rather than by political and ideological decisions.

The consequences of the ongoing globalization process result, on the one hand, in deepening mutually beneficial economic cooperation and partnership (while at the same time prompting reciprocal economic dependence), as well as in the dynamic evolution of economic power centers, whereas, on the other hand, societies in other parts of the world are increasingly lagging behind and losing ground\textsuperscript{6}. For this reason, the constantly deepening economic and social differences in the development of human society, exacerbated by the activities of non-state entities in failing states, may threaten not only national security in individual states and regional security but also the global security of the entire mankind. In the context of the prevailing global economic crisis, the possibilities for an armed conflict or a security crisis to arise are constantly multiplying. Yet another imperative factor contributing to the emergence of conflicts and crisis situations is excessive armament production.

While ensuring security at the national and international levels, it is also inevitable, in view of military (symmetric) threats, to underline the presence of non-military (asymmetric) threats, deemed as manifestations of armed violence for the elimination of which it is unsuitable or sometimes even impossible to apply military power. This also concerns the phenomena which may not assume the characteristics of armed violence but, once spread on a massive scale, may threaten the security of individuals, social groups and state bodies, and destabilize or even disintegrate society. To illustrate this point, consider natural, industrial and ecological catastrophes, and food, water, demographic and information shortages, or the exhaustion of non-renewable energy resources. In some parts of the world these have either reached or are now approaching critical levels. All things considered, the provision of national and international security is assuming a new dimension in today’s multipolar geopolitical division of the world.

As, from the general point of view, national defense upholds the country’s prospective survival, independence and sustainable development\textsuperscript{7}, each state must, in the interest of ensuring its own security, create the prerequisites for upgrading the system of defense, national security, and crisis response mechanisms of military and non-military character. The principal role of every state is to deliver national defense and security and to protect one’s citizens. This role belongs not only to the most fundamental ones but also to the most expensive economic activities, since it requires that


considerable human, material and financial resources8 be allocated for this purpose. For this reason, one of the most crucial decisions made is that on the amount of the defense budget to be allotted for ensuring one’s defenses and security, as well as the fulfillment of NATO’s common political, military and economic interests.

3 THE INFLUENCE OF THE FINANCIAL CRISIS ON THE PROVISION OF NATIONAL AND INTERNATIONAL SECURITY

Caused by fundamental changes in the global security environment after the end of the Cold War and bipolarity, new asymmetric security threats, combined with the negative side effects of globalization, modernization and liberalization of societies, are forcing individual countries and alliances to deepen and consolidate their security and defense policy.6 The necessity to have the ability to respond to these asymmetric threats, appearing in the form of international terrorism, organized crime, illegal migration, religious extremism, and nationalist radicalism, or the use of the weapons of mass destruction, calls for generating military and security forces and capabilities which are capable of dealing with the above-mentioned threats.

Based on the publicized economic prognosis and security studies, there is a widening economic, political and social inequality gap between the developed and developing world. Naturally, this has serious repercussions, inasmuch as the instability of the international security environment increases. In other words, individual states need to adopt adequate political and economic measures to help shape suitable conditions for building commensurate capabilities for military and security forces, which will secure the countries’ defense, independence, sovereignty, and protection of citizens and property, while at the same time furthering their political, economic and security interests abroad.

For these reasons, the economic requirements for supporting the preparation, training and education of military and civilian personnel, as well as for the modernization of the current and the purchase of new weapons, weapon systems and equipment, are constantly reaching new heights, with the result that the rising material and financial costs of deploying and sustaining NATO armed forces in the ongoing crisis management operations, or those of other law enforcement agencies directly involved in the execution of national or international security tasks, exert permanent pressure on budgetary expenditure. Obviously, the current decisions to reallocate the limited and at the same time precious human, material and financial resources between defense and security assets on the one hand and civilian assets on the other are determined considerably by the ongoing financial crisis.

As a result of globalization, all countries throughout the world have been affected, to a lesser or greater extent, by the global financial crisis. A marked decrease in the pace of economic growth, higher unemployment rates and budgetary deficits, a worsening balance of payments, and other negative consequences of the crisis have caused that all governments have had to and still have to adopt, through curtailing public expenditure, timely and moderate economic, political and legislative measures so as to alleviate the consequences of the crisis. One of the first steps to which most countries resorted was to consolidate public finances by introducing funding restrictions with regard to the state budget. From the economic point of view, the reason for this was clear – falling economic production goes hand in hand with falling state budget revenues.

The budgetary mathematics is equally merciless. A fall in revenues results in expenditure cuts. In this context, the planned and the already approved budgets thus seem to be unsustainable, and if individual states, as part of their responsible fiscal policy, are not to increase their debts by taking out additional loans to compensate for revenue losses, they have no other choice but to make budget cuts. Although hugely unpopular, these are inevitable, since any foreign loans to counterbalance the fall in the state budget revenues would result in the undesirable and, from the long-term point of view, even unsustainable state of affairs. In this regard it should be emphasized that eurozone countries must comply with the pact of stability and growth. Accordingly, the deficit of public finances may not exceed 3 per cent of GDP, nor may the total national debt-to-GDP ratio breach the 60-percent limit.

As a consequence, individual countries execute budget cuts in non-priority areas. Most countries have therefore resorted to cutting defense and security spending. For example, in the Slovak Republic, the 2009 budget of the Slovak Ministry of Defense, already decreased by approx. 60 million euros compared to 2008, was, as part of the adopted financial crisis package, decreased in the course of one year by a further € 100 million, following the Slovak Government Ordinance to reallocate funds

in order to sustain jobs and economic growth in Slovakia. Further cuts in defense budget took place in 2010, when the allotted defense budget amounted to approx. € 822 million, i.e. approx. € 223 million less compared to 2008. Moreover, the planned 2011 budget will be approx. € 310 million less compared to 2008 and, according to the macro-economic forecast and the planned public administration budget for 2011 – 2013, there are no rosy predictions for the Slovak MOD budget for the coming years. Bearing in mind that the 2-percent GDP limit is deemed an adequate amount of defense spending, the Slovak Republic has failed to reach this expenditure level since 1998. In addition, defense spending has been constantly on the decline (see Graph 1), except for the 2005 defense budget. The public resources intended for defense and security spending have dropped, despite the fact that in its 2002 Government Goals the Slovak Government declared its commitment to allocate 2 per cent of GDP on defense. This pledge was directly based on the recommendations of the North Atlantic Alliance, the needs of the Slovak MOD and the reform requirements of the Slovak Armed Forces.

Graph 1 A demonstration graph showing the ratio between the amount of budgetary resources allocated from the state budget to the MOD budget and the amount of the Gross Domestic Product in Slovakia (in % rounded to 2 decimal places) in the years 1993-2008 and their comparison with the NATO-recommended 2 per cent of GDP on defense.

With Slovak Government Ordinance No. 604 of 5 June 2002, giving the green light to the MOD Long-Term Development Plan, the Slovak Government made a commitment to allocate public funds for the MOD budget in the amount of at least 2 per cent of GDP, effective as of 2003. This commitment was confirmed by the National Council of the Slovak Republic, when the Council adopted Ordinance No. 2403 of 11 July 2002. As a result, the allocation of 2-percent GDP for defense spending became the basic planning financial input for delivering defense and security in the Slovak Republic, as well as the baseline rate for performing international obligations and agreements in favor of executing NATO’s collective defense and international crisis management operations.

To ensure continuity of commitment, the Slovak Government issued Government Ordinance 133 of 25 February 2003, approving a timeline for defensereforms and reaffirming its pledge to allocate 2 per cent of GDP for defense spending. The reconfirmation of Slovakia’s commitment became the main argument of NATO bodies in formulating Force Goals for the Slovak Republic within NATO’s collective defense tasks and military and political objectives.

The next Slovak Government, which was formed after the parliamentary elections in 2006, officially approved the allocation of 2 per cent of GDP for defense spending. Government Goals stipulated that the Slovak administration would allocate the resources essential to delivering defense and security and performing Slovakia’s international commitments. At the same time, the Government promised to ensure that the funds for conducting international crisis management operations and integrating selected units of the Slovak Armed Forces into the NATO Response Force (NRF) and
the European Battle Groups (EU BGs) would not be secured at the expense of the Slovak Armed Forces’ sustainability and development programs.

Towards this end, the Slovak Government adopted Ordinance No. 106 of 7 February 2007, pledging to allocate additional Skk 2,204 billion (€ 73,160,000) from outside the MOD budget in the years 2008 – 2013. This move was to support force deployment and sustainability within the framework of the NRF and the EU Battlegroups, or unplanned contingency operations under Force Goals in 2008 – 2013. However, Government Ordinance No. 867 of 11 October 2007 abolished Ordinance No. 106 of 7 February 2007, in other words, the funds to deliver force preparation, training, transport, material and equipment supplies, and service support to the units of the Slovak Armed Forces earmarked for NRF 10 and NRF 13 in the years 2008 and 2009 and the EU BGs in the years 2009 and 2010 had to be redirected from other defense programs from inside the MOD budget.

Apart from this, the Slovak Government pledged to create the conditions for generating national defense and security capabilities, which would allow the Armed Forces to respond to the situations threatening our citizens, state and Allies, and to eliminate emerging threats, including those outside the territory of the Slovak Republic, while at the same time ensuring that the Slovak Republic would adequately contribute to generating NATO and EU defense capabilities until 2010, and maintain fully fledged contributions well beyond the target date. Also, the Government agreed to actively involve its troops in NATO and EU rapid response forces and international crisis management operations. This was to be done under NATO Force Goals and the EU Headline Goals, which, in line with the current security challenges, are now placing emphasis on self-defense capabilities, internal national security, the abilities to deploy forces outside the Slovak Republic, to participate in several operations simultaneously, and to adjust flexibly, depending on the type of operation or mission, to the changing security situation.

Based on an analysis of the actual defense budgets allocated from the state budget in recent years it may be concluded that the actual amount of financial resources, whether planned or allocated, fails to meet the targets described above. Moreover, the analysis calls for goals, tasks, intentions and defense requirements to be reviewed, since the current situation will inevitably continue to increase the MOD’s internal debt, despite the upgraded long-term development plan and internal redirections of funds in favor of the declared key defense priorities.

The shrinking military funds allocated from the state budget to the MOD in 2009 and 2010 and the planned financial resources from the state budget for the MOD in the years 2011 – 2013 (see Graph 2) will even more jeopardize or, in the best case scenario, only postpone the performance of the declared goals – the Slovak Armed Forces’ professionalization, training, modernization, and the commitments vis-à-vis the North Atlantic Alliance and the European Union.

This will have a negative impact on the trustworthiness of the Slovak Republic as a partner of the international community and the credibility of the Slovak Armed Forces – the two institutions which have enjoyed the highest approval ratings in public opinion surveys conducted across Slovakia.

Graph 2 A demonstration graph showing the ratio between the amount of budgetary resources allocated from the state budget to the MOD budget and the amount of the Gross Domestic Product in Slovakia (in % rounded to 2 decimal places) in the years 2009 – 2013, and their comparison with the NATO-recommended 2 per cent of GDP on defense
It has been recognized that the commitment to provide for the defense of the Slovak Republic and to ensure protection of citizens is being challenged and undermined by underfunding. Defense and security funding is highly demanding not only in terms of providing for the defense and security of the Slovak Republic but also in terms of meeting international commitments and transforming the Slovak Armed Forces into a relatively small, professional, well-equipped force with expeditionary capabilities and sufficient combat potential, capable of meeting the requirements of compatibility and interoperability with NATO allied forces.

4 CONCLUSION

The European geopolitical and geostrategic area after the end of the bipolar world is seemingly safe. The new international political situation in Europe after the end of the Cold War has removed the immediate danger of a direct military threat to the Slovak Republic and its Allies. However, it cannot be ruled out that Slovakia’s security and stability will not be challenged by threats and risks of a different character, one which is based on the worsening security situation in the world. Therefore, the provision of defense and security and the generation of military and security forces cannot be approached as secondary issues.

European and global security belongs to risk factors, whereas an inability to timely respond to an emerging crisis situation is likely to exert a highly negative impact on the entire world community. While the international security situation from the 1960s to the 1980s was referred to as the Cold War era, the international security situation at the end of the first decade of the 21st century, marked by a considerably rise in new security threats and especially non-military threats, is labeled ‘Hot Peace’.  

In this context, Slovakia’s shrinking military budget seeking to deliver NATO’s collective defense and security in accordance with the Washington Treaty, the collective defense of the European Union in line with the Lisbon Treaty and, last but not least, the defense of the Slovak Republic seems to have strictly paradoxical implications. The bond between security recipients and security providers should not be confined to ‘trouble-free periods’ only but rather foster permanently stable and enduring relations. In this respect, the Slovak Republic should be a fully fledged partner for our Allies.

Despite the fact that the Slovak Republic has repeatedly pledged to allocate 2 per cent of GDP for the provision of national defense and security, the MOD budget cuts and the future predictions demonstrate that Slovakia is, instead of walking towards the targets, walking away from the targets. What lies behind the dramatic decrease in defense and security funding is Slovakia’s sense of not being exposed to a direct threat. Undoubtedly, the global financial crisis has an important role to play in this trend.

On the other hand, Slovakia is not the only country to have reduced its military budget. NATO countries and European Union countries continually decreased defense expenditures already from the end of Cold War. Although in 2008, in the context of worsening global security environment, it was registered a modest growth of military expenditures, the financial crisis stopped that evolutionary trend (see Graph 3). Therefore, throughout the last years, only five European Union countries regularly reached, in the area of defense budget, recommended level of 2 per cent of GDP, or higher (e.g. in 2008: Greece – 3,6 %, Great Britain – 2,5 %, Bulgaria – 2,4 %, France – 2,3 % and Portugal – 2 %). As for NATO countries, except of the mentioned European Union countries, only USA (4,3 % in 2008) and Turkey (2,2 % in 2008) reached or cross the frontier of 2 per cent of GDP.

But in the contrast to the worsening security situation in the world, while other, especially non-NATO countries (e.g. China and India) keep their military spending at the level of 2 per cent of GDP, or higher, to support their defenses (see Graph 4), budget reductions of NATO defense ministries may result in the weakening of the defense capabilities of the entire Alliance, thus making the entire society more vulnerable. Due to the constant defense and security funding cuts, such countries, including Slovakia, may have to pay for this one day, since the provision of national defense and security cannot be taken for granted. But it will be too late when people realize that the ‘symbolic jug of unity’ has been broken.

In conclusion, the global financial crisis is clearly increasing the vulnerability of societies as well as security risks at national as well as international levels. This is happening as a result of the constantly shrinking budgets of defense and law enforcement establishments and the adoption of strict saving measures, which are currently degrading security to its minimal levels. Although defense budget cuts may give the general public who wish to see more investment flowing into science, research, education, health care, unemployment support a sense of seeming satisfaction, this may


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lead to the countries’ inability to duly and timely respond to asymmetric security threats to society. This argument should be brought into focus especially in a time of the global financial crisis when, rather than deepening the sense of insecurity and uncertainty, national defense and security should be resting on stable foundations and approached with growing urgency.

Graph 3 A demonstration graph showing the ratio between the amount of budgetary resources allocated from the state budgets to the MoD budgets and the amount of the Gross Domestic Product in NATO and EU countries (in % rounded to 2 decimal places) in the years 1988-2008 and their comparison with the NATO-recommended 2 per cent of GDP on defense

Graph 4 A demonstration graph showing the ratio between the amount of budgetary resources allocated from the India and China state budgets to the MoD budgets and the amount of the Gross Domestic Product in India and China (in % rounded to 2 decimal places) in the years 1989-2008

References


