New Features in Respect of the Economy and Security in the early 21st Century

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Abstract: This paper deals with the global economy in the context of the role of the security alliance groupings. Economic cost and benefits of the alliance groupings are perceived in the context of the changing security environment in the world and in Europe.

Key words: Alliance theory of alliances · alliances economy · cost sharing · freeloading

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1 Introduction

According to historical facts are accumulated rich experience in economic security of armed conflict. Are concentrated primarily in military law, the state legislature, in the memoirs of prominent state officials and commanders. C. P. G. Clausewitz as a military theoretician and leader assessed the relationship of war and its economic base again in his famous work about the war in this way: “For the needs of troops, we must distinguish two categories: namely the need to provide each cultivated region, and others that the army can get just from their domestic resources. The former are mainly means of nutrition, the latter mainly accessories. The first can deliver even hostile country, the latter usually only their own country, eg. people, mostly weapons and ammunition as well. Army resembles a tree, the soil in which it grows, draws strength to live. If small, it can easily be transplanted, but it becomes increasingly difficult the more increasing. Small herd also has inlets through which it flows into life, but easily takes root where it is not. For large armies do not. The immediate need for food is important, but for the whole duration of the next period is more important replenishment, while food can provide a variety of ways. In parts of the country are creating special facilities for supplies and carry out the preparations for the regular intake of supplements of combat forces. This part of the country is therefore the army base, which is to be considered as a whole” (Clausewitz 2008).

Economics of security can be divided into micro level and macro level international plane. Micro level examines the structure of the defense industry in the economy, the production of weapons and disarmament mechanisms. The macro level analysis of defense spending and budgeting, mobilization in case of war or conversion of the defense industry. International economics plane defence compares each country between themselves and calculates aggregate data on global arms race. This paper aims interdisciplinary approach, social sciences, economics, sociology and, political science describe the new features in relation to the economy and security in the early 21st century. This applies in particular to the cohesion of the political and economic theories of security alliances, their specificity and effectiveness for use within the current risk reduction.

2 Methods

Contribution explores the relationship of the economy and security in a global dimension. Scientific knowledge of these relationships that analogy will help to reveal the causes of phenomena and laws. Therefore processing issues prevalent application of methods of analysis, comparison and use logical and historical context of the last 25 years in the security area of the world economy. Application of a combination of these methods to understand economic processes, while ensuring collective security. Its economic costs and benefits are seen in the context of the changing environment of security risks in the world and in Europe.

The economic dimension of security risks of the 21st century global space - forecast and reality

Different combinations of types of forecasts, the world economy at different times have created phasing of global forecasting, whose genesis dates back to the 60s of the 20th century, when the world begins to start for the future. Development of generation time can be divided between the three main time horizons:

- 1st Generation - turn of the 60s and 70s of the 20th century,
- 2nd Generation - turn of the 70s and 80s of the 20th century,
- 3rd generation - mid 90s of the 20th century (Šetek 2007).

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The first generation begins publications studies H. Kahn "2000 - A framework for thinking about the next thirty years" of 1967, the theoretical concept adopts the oldest futurology organizations - the World Federation of future studies. Theoretical concept H. Kahn developed the World Federation study on the future of the world's optimistic prognosis for the future without substantial qualitative changes when the world's population through major fear of thermonuclear conflict is attributed to political and economic stability.

On the other hand, at the initiative of influential Western European politicians and scientists created at the end of the 60s of the 20th century in the European region the Club of Rome and the Americas concepts:
- Anne and Paul Ehrlich (Humanity, resources and environment)
- A Forrestra (Dynamics of World)
- Dennis Meadows (Limits to Growth).

The aforementioned concepts prognostic 1st generation predict that world population growth and consumption, together with the induced pressures on natural resources and the natural environment, leading mankind to destruction, resulting in the sudden loss of population and the miserable living standards of those who survive.

The second generation of global forecasts of the late 70s and 80s of the 20th century, beginning with the establishment of institutions Interfutures under the auspices of the OECD and the Brandt Commission google dispute "North and South", In this generation forecasting is the contradiction between the catastrophic future and self-sufficiency companies left in the background. The reason for this was the fact that a chosen time horizon - the turn of the millennium is too close and during the first decade of the third millennium, there will be no unsolvable problems.

Third generation forecasts from the early '90s applied extensively exact simulation modeling and mathematical-statistical instrumentation. Evidence of the application of these methods are such prognostic studies:
- Globe 2000,
- A comprehensive economic prospects by the year 2000 (UNECE),
- Our Common Future (international team led by Norwegian Prime Minister HG Brudtlandt).

Along with these works he published a large number of specialized studies of international organizations – the World Bank, the OECD, the International Organization for Food and Agriculture. Among the most important artists of this generation includes a pair of Carsson I. and S. Ramphal, who for the period 1992 - 1995 worked publishing our common neighborhood, where lay a strategic goal for solutions adequate settlement of supranational structures in the face of the future development of most global problems, particularly the problems of war and Peace and future of humans due to the changing hierarchy of values of human society.

The aforementioned generation and for Future prospective studies over the last 40 years of the 20th century have confirmed that the future of the global problems of humanity at the beginning of the new millennium will reflect the area of universal social, economic, ethical, humanitarian and cultural aspects of development of human civilization. This will show a deepening rift between the types of companies - consumerism and poverty. This discrepancy can reach even to the global conflict (prognosis Ralf Dahrendorf). However, none of these concepts generations did not focus on the hypothesis that a serious global problem of mankind at the start of the new millennium, it becomes a question of international terrorism. Developments over the last 10 years of the 20th century to fully confirm this hypothesis, when the turn of 1989 and 1990 terrorist attacks directly affected 74 states and the incidents took place in 60 other countries. Fully confirmed this hypothesis for the real terrorist attacks on the US on 11 September 2001, when international terrorism has become a global problem. (Šetek 2007)

Theoretical concepts could be useful for early warning? Although none of the theoretical concepts of futurology and global science has established over the last three decades of the last millennium hypothesis that international terrorism has become a global problem of humanity set but fears of intensifying contradictions between consumer type of society in the Western world with the world of the prevailing poverty.

3 Research results
The newly created evil after the Cold War and their consequences on economic systems

The international system in the European region as an integral part of the Euro-Atlantic area, it was after the end of the Cold War, characterized by dynamism and a number of quantitative and qualitative changes that are both inside and outside the area took place. The disintegration of the Warsaw Pact and the Council for Mutual Economic Assistance accounted end of the bipolar division of the world. This process also initiated the establishment of a number of new states on the European continent. All this provoked a space for the emergence of new security threats,
as a result, which can reduce the overall level of security in the Euro-Atlantic area. Security on the European continent ceased to be based on a balance of two military-political and economic groupings. Ceased to be a stable and firm order, which was during the Cold War, the bipolar division of the world and Europe.

This way there in terms of exploring the interesting paradox. On the one hand, in the event of armed conflict (as of greatest risk of a bipolar world) at the end of the 20th century, we continue to be really new, as yet vaguely defined and definitely not established a social phenomenon that is characterized by the following factors:

- war conflicts began to move from the area of interstate in national,
- most wars taking place on the territory of a collapsed state in a situation of struggle of all against all,
- began to fade boundaries which separate the modern state legal war criminal and illegal activities, the sphere of internal and external security, civil and war zone
- alongside government troops are fighting a variety of irregular groups, often defined ethnically or religiously,
- trend of privatization of military violence is supported by the increasing participation of international mercenaries from all spheres - from professional warriors freelance adventurers through no cause to religious fanatics,
- terminates the policy application in terms of monitoring rationally defined national interest. (Šefčík 1998)

Such new types of security risks affecting the security of the country's economic base. While reducing the security risks of modern type of war requiring a central, autarkic system in the 20th century and also the total mobilization of resources from the war effort - thus maximizing the role of the state, postmodern type of economic base security of the state is quite different. It takes place in an environment of fragmentation and decentralization of the state. The economic system return and apply methods of making such sources as robbery, trafficking, smuggling embargoed commodities, extortion, looting of humanitarian aid and investments in post-conflict rehabilitation. In this way, forms a “new type of globalized informal economy, where there are external flows especially humanitarian aid and payments from abroad integrated into the local and regional economy.” On the economic base leads to the formation of “new dark type of social relations, where the economy is deeply intertwined with violence.”

Above political and economic changes brought to the European continent wide range of dispersed risk and threat of a lower order, especially in the European area (Southeastern Europe) or near immediate vicinity - North Africa, the Near and Middle East. All these regions have become for the European continent source of direct risk management - international terrorism, ethnic cleansing, proliferation of weapons of mass destruction, or even indirect risks - organized crime, economic collapse, waves of migration.

For this reason it became the duty and right of every democratic state to ensure the safety of its sovereignty, territorial integrity and citizens. Given the complexity of the resulting strategic environment there is one universal institution, organization, method or way that would be able to solve the whole spectrum of newly emerging security risks. Euro-Atlantic security system has grown to include multilateral military-political, economic and security organization - NATO, the European Union, the Western European Union, the Organization for Security and Cooperation in Europe. These organizations have been characterized by a series of dynamic processes and seek the optimal form of both the organizations and their mutual coexistence and cooperation at 3 levels:

1. The internal transformation of the individual multilateral security organizations, reform their institutional structures, organs, functions and tools,
2. External enlargement process of transformation characterized by individual organizations and the creation of various aid and support structures - Partnership for Peace and the Euro-Atlantic Partnership Council, the associated partnership in the Western European Union Association Agreement between the European Union and other candidates for membership,
3. Implementation of specific tasks in international missions deployed in crisis regions (Šefčík 1999)

“The current reality of economic power to ensure the safety versus geopolitical theory In the 21st century will be the future of the world to decide on its waters.” (Roos 1991)

Alfred Thayer Mahan: The Influence of Sea Power upon History

Since the mid-70s of the 20th century at conferences on maritime law under the auspices of the United Nations decided on the appropriation of more than one-fifth of the Earth's surface one hundred and thirty-two coastal and island states. As "the maritime" economic zone assumed the sea surface, including underneath lying areas of the seabed and the wealth that lies beneath the seabed (mainly oil, natural gas and other minerals) covering an area of over 110 million km², which extend up to 200 nautical miles their banks into the open sea. Coastal States almost doubled its land territory over which they have political and economic sovereignty. For territorial were announced such large bodies of water such as total land area of the planet Earth and the open sea has decreased by more than a third. With this
annexation benefited states with long coastlines such as Australia, Japan, Canada, Norway and the United States (Roos 1991).

In addition to the maritime area became part of world energy markets - oil and gas from the seabed (opening in the last third of the 20th century), sailing oil tankers, pipeline network led by days the sea (to launch the first branch of the Nord Stream pipeline along the bottom of the Baltic Sea in 2011, the intention to show the South Stream pipeline along the bottom of the Black Sea). Terrestrial transmission grid electricity is complemented by undersea cable (Estlink 1 linking Estonia and Finland, in the same spirit of the agreement from 2010 to Estlink 2). In connection with the construction of energy infrastructure the maritime space can be in terms of geopolitical theories talk about an entirely new economic and geopolitical security concept, and interconnection of energy and sea (Šetek 2013).

Usage bottom of the sea as a means of transit of energy resources is also prevention of potential “business energy wars” in particular between suppliers and transit (e.g. The Russian-Ukrainian dispute in early 2009 for the supply of gas to the EU region). From the perspective of “biological or anatomical’ structure of the economy represents the maritime area as the area of infrastructure,” vascular "system, energy" nervous "system. Because of economically important subject term on world energy markets (the sea in the dual position - sources of raw materials and the transit area) is also a “vascular” and nervous system. In terms of security functionality and economies are prerequisites for the functioning mechanisms of energy security pacts. Their creation is not within the structures of NATO and the European Union's united stance.

The aforementioned current reality is confirmed Mahan's prognosis about the strategic importance of the seas in the 21st century.

**Economic aspects of the Alliance's security**

Economic models of military alliances provide a foundation for understanding the burden sharing. In these models, the collective security as deterrence is regarded as a pure public good. These goods have two characteristics:

1. National security does not affect consumption achieved so far amount of consumption of other countries.
2. Once the goods are delivered, they are accessible to all; Exclusion is so expensive that it is not worth realization.

This feature provides an incentive for countries "self-directed" if they know that other states provide sufficient coalition defense for their needs (Šefčík 1999).

The original version of the Alliance offered three different models and politically well-founded predictions leading to uneven burden-sharing. First, because the larger members of the alliance groupings give more value to the security services, often they will devote a larger share of their gross domestic product for security than smaller states and perhaps even their own interest. Second, parasitic problem that arises when a smaller alliances rely on the protection of the safety of large alliances, since the parasitic Alliance members consume more civilian production at the expense of other states. A third aspect of the later model was that there is no limit on the size of the alliance, because new members can not reduce benefits for existing alliance and can reduce the cost of other states provided their alliance in defense.

For the 50s and 60s of the 20th century supported parasitism security situation in NATO. Bigger and richer allies (United States, Germany, France, Great Britain) suffered disproportionate distribution of the costs of collective defense, so they allowed smaller states parasite. It was a time mutually secured destruction, nuclear deterrence.

In 1964, Olson and Zeckhauser examined the first hypothesis about the economic and financial security of NATO. Its essence consisted of the following contexts:

- some significant positive correlation between GDP alliance members in proportion to their military costs.
- an economically strong alliance members have a greater share of expenditure to ensure safety compared to economically weaker members.
- accused of feasting and "free-riding" on behalf of another was addressed to "weaker" members. (Olson 1966)

Subsequently provided suggestions to the formation of the cost of the defense alliance. The aim was to justify the fact that smaller members of the Alliance should take on a greater portion of the cost of defensive alliance.

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Since the early '70s, NATO is changing strategy of mutually secured the destruction of the adaptation response, which brought more confidence in conventional forces and thus reduce the possibility of riding, and reducing differences in sharing defense costs, which resulted from differences in the economies of NATO. Interpretation of this
fact, it is possible to model a pure public good that has been modified for defense, provided that the defense has a wide range of options ranging from only public to the private or regionally specific defense outputs. Disclosure difference lay in the fact that the model of pure public goods at the defense requires more than one outlet including deterrence. It also specifies protection and limited loss if deterrence fails, as well as state or private gain. More of these defensive outputs non-public (private) to allies (but public within the Alliance), more likely to be funded by the state, which contributes directly to the rider expected. Unlike nuclear deterrence, conventional forces are not pure public good, because they are conditioned by "the relative thinning" of forces, as they must defend more territory. Therefore, the effects of "relative depletion" may lead to restrictions meters on the side of the alliance. Joint production model assumes a lower-riding alliances. (Krč & Urban 2010)

In the 80s and 90s of the 20th century, there were many events that could operate on a cost-sharing. This gave the opportunity Reagan administration mounting US military forces and the Strategic Defense Initiative, the new weapon technologies, modernization of British and French nuclear forces at the end of the Cold War, the growth of NATO to include new members from the former Warsaw Pact and the adoption of new defensive role NATO crisis management, including peace-keeping. (Flachbart 2010)

Challenges for the common economic policy of NATO in the early 21st century

At the beginning of the 21st century, NATO remains the only international organization that has built a permanent military force structure and is directed against the threat of external threat to its members. Talk about cost sharing in NATO in terms of "What? And what should it be?" These are the current contribution of each country to the Alliance's collective defense and a fair contribution of each state. Questions of justice deposits are necessarily controversial, NATO will require collective international conventions that Member States should contribute to the alliance on the basis of income received or based on ability to pay for charges on a proportional or progressive basis. In fact, the Member States contribute to NATO in the form of cash payments for programs of security investments and political (civil) and military budgets. For 2014, revenues have combined budgets of NATO following:

- Civil: budget (217 million euros),
- Military: budget (1.4 billion euros),
- Security: Investment Programme (650 million euros).

Analyses of cost sharing required selection criteria or indicators of cost sharing. Selection criteria will depend on the measurement object. In fact, NATO's collective defense provides output in the form of peace, defense and security. Defence spending is input, which procure all forces to ensure that the final output of peace and security. Concentrating on the final output is assumed that both the military and civilian indicators may be included in the scope of cost sharing. It is typical that defense spending as a proportion of the gross domestic product are usually the most widely used measure of defense spending. However, it has limitations. Member States may vary in their definition of defense spending (eg. Pensions of former soldiers, defense research and development). At the same time, Member States may different mix of public and site-specific defense units as the image in the layout of its conventional forces between the home defense and NATO command. States could use the economic principle of substitution using alternative methods of protection contingent is representative of each national comparative advantages of own resources (eg. Equipment replaced human resources, Nuclear power replaced conventional forces). Differences are also generated efficiency with which countries convert various defense spending in the defense readiness of the armed forces.

4 Conclusions

The security of the Euro-Atlantic space at the beginning of the 21st century is characterized by significant changes in the dynamics of political security and economic level. For the purpose of a functional system in this area is necessary reduction of certain asymmetry in the military field between the regions of Europe and North America. While defensive investments of European NATO allies reach 60% of the expenditure of the United States, European real operational capability in comparison with the potential of the US one-fifth. NATO members in Europe have a 2 million soldiers, which is about 600 thousand. more than in the U.S. alone. This asymmetry indicates clearly that Europe uses its resources very inefficiently defense.

The high quality new Euro-Atlantic security system should be reduced to a minimum jurisdictional confusion and duplication especially between NATO and the European Union.
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