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Economic Statecraft in Polish Strategic Security Documents

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Abstract

The aim of this article is to examine how interdependence of economic policy and social security is perceived in the strategic documents of the Polish government in the area of security and international politics. For the analyses, the author has employed the concepts of *economic statecraft* and *geo-economics*. It has been found that the strategic documents in the area of security do perceive interdependence between politics and economics. Polish strategic documents treat economic factors as merely one of many aspects of security rather than being absolutely dominant. Therefore, those factors cannot be recognised as based on the geo-economic paradigm. It is worth noting that the economic statecraft tool is not discussed in an in-depth manner – as a separate category of state instruments. Polish strategic documents suggest the awareness that such instruments are used by other states, e.g. Russia with respect to the area of energy. Polish strategic documents are primarily focused on the need to introduce safeguards against such threats – among other things by the application of defensive economic statecraft. The analyses carried out for this article failed to identify any proposals for the development of proprietary Polish economic leverages as an instrument of building up state power – offensive economic statecraft. The author recommends further in-depth research on the perception of interdependence between security and economic policy in other countries as well as popularisation of the concept of economic statecraft in Poland.

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Keywords

national security, state security, economic security, economic statecraft, geoeconomics, strategic document, Poland

Introduction

*Economics as a separate science is unrealistic, and misleading if taken as a guide in practice. It is one element—a very important element, it is true—in a wider study, the science of power.*¹

Growing tensions in international relations give rise to the reflection as to the preparedness of the Polish state to functioning in such realities. Many experts and scientists point the time of potential reconfiguration in the global system of security. The intensified international rivalry takes place not only in the form of a kinetic war, as in the case of the confrontation of Russia with Ukraine, but also in the economic domain, in which countries realise their political goals.

One of the manifestations of a state's preparedness for the functioning in an uncertain international environment are strategic documents in the area of security and international policy. They play at least a dual function. On one hand, they map out the objectives and directions of a state's policy. Theoretically, operationalisation of those objectives on ever lower levels of public institutions should ensure consistent and harmonious operation of the state apparatus. On the other, however, publicly presented strategies constitute a form of communication of a state's intentions to the external world.

The aim of this article is to answer a questions to what extent the concept of attaining political goals with the use of economic means is present at the level of Polish official government documents. The point of reference are two concepts: geoeconomics and economic statecraft. In light of the conclusions arising from a comparison of those concepts, analysed were three official strategic documents from the area of security and international relations.

1. B. Russell, *Power: A New Social Analysis*, W.W. Norton & Co. 1938, p. 135.

Economic statecraft

Economic, including financial, instruments of exerting political influence (economic statecraft, financial statecraft) are systematically investigated by political economics worldwide. In his classical book on this subject, David Baldwin, an American researcher of international economic relations, comprehends this concept as a set of economic instruments used in order to influence the behaviour of another international player.² Several other researchers treat this issue in a similar manner.³ Noteworthy is the fact that this notion – widely used in English-language literature – has not been more extensively exploited in Poland and there is no adequate translation thereof into Polish. Polish researchers of this issue, Mirosław Sułek⁴ and Weronika Garbacz,⁵ interpret *economic statecraft* as economic diplomacy. However, it does not seem to render the gist of the matter. The Ministry for Foreign Affairs understands the concept of economic diplomacy differently and considers “supporting Polish companies in foreign markets” to be its main goal.⁶ Likewise, Benn Steil and Robert Litan point to the need of separating the instruments of exerting political influence (economic statecraft) from foreign economic policy. The former usually refers to economic measures used in order to attain political objectives, while the latter vice versa: it describes political instruments used for attaining economic goals.⁷ A more adequate expression, better rendering the sense of the concept of economic statecraft, should include e.g. economic levers or means of exerting pressure, a set of geoeconomic instruments, a geoeconomic weapon, economic instruments of exerting political influence. Examples of such instruments include sanctions⁸ customs duties,⁹ conditional financial support,¹⁰ cutting states off the financial infrastructure, entrusting state contracts to companies from a certain country, etc. The economic means for attaining political goals do not have to assume an open, spectacular form or be used under the conditions of warfare. Very frequently, these are very subtle measures noticed mainly by the narrow social groups interested in public life. Those measure can be offensive (aimed at changing the behaviour of another state) or defensive (when a country tries to avoid the consequences of offensive economic statecraft applied by another country), bilateral or systemic (e.g. through the agency of international law or multilateral international organisations).¹¹

It is worth noting that the countries using such instruments are not necessarily the same that are perceived as rivals or enemies on the international arena. As pointed out by the co-authors of the report of the World Economic Forum, such instruments are actually more effective when applied towards allies.¹² As regards antagonists, they frequently harden their positions as a result and the instruments become counter effective. This shows that the risks of using such instruments vis-à-vis

2. D. Baldwin, *Economic Statecraft*, Princeton University Press 2020, p. 31.
3. R.D. Blackwill, J.M. Harris, *War by other means. Geoeconomics and statecraft*, Harvard University Press 2016; L.E. Armijo, S.N. Katada, *Theorizing the Financial Statecraft of Emerging Powers*, “New Political Economy”, 2015, Vol. 20, No. 1, pp. 42–62; J.M. Blanchard, N. Ripsman, *A Political Theory of Economic Statecraft*, “Foreign Policy Analysis”, 2008, Vol. 4, Issue 4, pp. 371–398; B. Steil, R.E. Litan, *Financial statecraft. The role of financial markets in American foreign policy*, Yale University Press 2006.
4. M. Sułek, *Zachodnie sankcje wobec Rosji – sens i skuteczność*, “Rocznik Strategiczny”, 2014/2015, Vol. 20, pp. 398–410.
5. W. Garbacz, *Dyplomacja ekonomiczna w paradygmacie realistycznym – próba konceptualizacji pojęcia*, “Stosunki Międzynarodowe – International Relations”, 2017, 53 (3), pp. 123–141.
6. *Dyplomacja dla biznesu*, <https://www.gov.pl/web/dyplomacja/dyplomacja-dla-biznesu>, (access 23.11.2021).
7. B. Steil, R.E. Litan, *Financial statecraft...*, op. cit., p. 2.
8. D.W. Drezner, *The sanctions paradox: economic statecraft and international relations*, Cambridge University Press 1999.

Poland should be rather perceived on the part of her nominal allies. Additionally, a state considered as the chief threat to national security,¹³ namely Russia, is neither an economic nor financial potentate and the range of instruments it can use to exert economic pressure is limited primarily to the political use of energy raw materials. Whereas allies, in particular the US and the countries of Western Europe, are the state that have a broad range of tools of economic influence at their disposal. At the same time, those instruments are considered to be gentler than traditional military measures,¹⁴ and therefore seem to be potentially acceptable means to exert influence even on the allied countries such as Poland.¹⁵ Some people perceive this as a positive phenomenon. Johan Galtung stated that: “The best service peace research could offer to the world today probably consists not so much in understanding conflicts better, as in providing politicians with an enormous repertoire of actions short of violence that can be applied in conflict situations.”¹⁶

Robert Blackwill and Jennifer Harris define geoeconomics as “the systematic use of economic instruments to accomplish geopolitical objectives.”¹⁷ It should be noted that this concept – especially in the above understanding – is particularly close in meaning to the concept of economic statecraft described in the preceding chapter. Such a comprehension of geoeconomics is not isolated and is similarly used in the popular discourse. However, geoeconomics has been coined as a notion of a slightly different meaning and is usually understood more broadly.

The author of the notion of geoeconomics is an American researcher, Edward Luttwak.¹⁸ He noted that the economy had become a dominant field of international rivalry both as regards goals as well as means. Insofar as the very use of economic instruments to attain political objectives, including guaranteeing security, is nothing new, in the case of goals a significant shift has taken place. He noticed that states are in an ever lesser degree interested in attaining traditional geopolitical goals, such as controlling a new territory. Those trends have been ousted and replaced by the strive to maximise wealth,¹⁹ attained e.g. by supporting procurement of foreign contracts by domestic companies. Thus also the framework of practising politics has been transformed. Here geoeconomics stands in opposition to geopolitics. The latter is based on the analysis of hard structural forces underlain by geography, indicating an almost deterministic role of land configuration or access to sea. Geoeconomics in a large measure relativizes those factors by putting an emphasis on the system of economic, institutional or international links. The role of lands, mountains and oceans has been replaced by commercial treaties, currency unions, global chains of supply, etc.²⁰ More broadly, geo-

9. S.J. Evenett, *The return of the visible hand*, in: *Connectivity Wars*, ed. M. Leonard, European Council on Foreign Relations 2016, p. 48.

10. A. Dreher, J.E. Sturm, J.R. Vreeland, *Politics and IMF Conditionality*, “Journal of Conflict Resolution”, 2015, Vol. 59, No. 1, pp. 120–148.

11. L.E. Armijo, S.N. Katada, *Theorizing the Financial...*, op. cit., p. 42.

12. K. Bhatia, D. Trenin, *Challenge One: Economic warfare*, in: *Geo-economics. Seven Challenges to Globalization*, World Economic Forum 2015, p. 5, https://www3.weforum.org/docs/WEF_Geo-economics_7_Challenges_Globalization_2015_report.pdf, (access 6.11.2021).

13. *Strategia Bezpieczeństwa Narodowego Rzeczypospolitej Polskiej 2020*, p. 34, https://www.bbn.gov.pl/ftp/dokumenty/Strategia_Bezpieczenstwa_Narodowego_RP_2020.pdf, (access 6.11.2021).

14. E.N. Luttwak, *Turbocapitalism. Winners and Losers in the Global Economy*, HarperCollins Publishers 1999, p. 138.

15. Use of economic sanctions against Poland was suggested at a meeting of one of the US congressional committees Heather Conley, president of the prestigious think-tank German Marshall Fund, see: *W Kongresie USA o Polsce. „Trzeba zastanowić się nad sankcjami”*, www.rp.pl/dyplomacja/art19074051-w-kongresie-usa-o-polsce-trzeba-zastanowic-sie-nad-sankcjami, (access 6.11.2021).

Geoeconomics

economics discerns not only that states use economic instruments for attaining their goals, but also indicates the transformation undergone by the entire space of international politics dominated at every level by economics.

Therefore geoeconomics is a notion that is both broader than as well as partially separate from economic statecraft. It refers not only to the instruments of practicing politics (such as economic statecraft), but to the entire playfield of the international game. Geoeconomics also assumes that the primary goals of activities of international players are economic, whereas economic statecraft places a greater stress on political goals. It should be remembered, however, that it is very hard to draw a precise dividing line between political and economic objectives. In fact, political and economic motivations are intertwined and mutually penetrating, which is pointed out by Baldwin, among others.²¹ It seems, however, that in the majority of cases at least a dominant motivation can be singled out.

Table no. 1 shows a map of certain significant concepts that has been so far introduced.

Table 1. Instruments and forms of international rivalry by means and goals.

Means (nature of threat)/ Goals	Economic	Political
Economic	Geoeconomics	Economic statecraft
Political and military	Economic diplomacy, economically motivated wars	Traditional dimension of national security, army, diplomacy

Source: own elaboration

The core research material of this article is comprised of three strategic documents: “National Security Strategy of the Republic of Poland”, “Defence Concept of the Republic of Poland” and “Polish Foreign Policy Strategy”.²² The first one has been prepared by the institutions subordinated to the President of the Republic of Poland, the second one by the Ministry of National Defence, and the third one by the Ministry of Foreign Affairs. All three were drawn under the government of the Law and Justice party in Poland.

16. J. Galtung, *On the Meaning of Non-violence*, “Journal of Peace Research”, 1965, Vol. 2, No. 3, p. 251.

17. R.D. Blackwill, J.M. Harris, *War by other...*, op. cit., p. 1.

18. E.N. Luttwak, *From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce*, “The National Interest”, 1990, No. 20, pp. 17–23.

19. J.M. Stopford, S. Strange, J.S. Henley, *Rival States, Rival Firms. Competition for world market shares*, Cambridge University Press 1991, p. 1.

20. E. Halizak, *Międzynarodowa strategia geoeconomiczna Chin: perspektywa neoliberalnego instytucjonalizmu i kulturowo-cywilizacyjnej tradycji*, “Myśl Ekonomiczna i Polityczna”, 2017, No. 2 (57), p. 80.

21. D. Baldwin, *Economic Statecraft*, op. cit., p. 32.

22. *Strategia Bezpieczeństwa Narodowego...*, op. cit., *Konceptcja Obronna Rzeczypospolitej Polskiej*, Ministerstwo Obrony Narodowej 2017, <https://www.gov.pl/attachment/78e14510-253a-4b48-bc31-fd11db898ab7>, (access 6.11.2021), *Strategia Polskiej Polityki Zagranicznej 2017-2021*, <https://www.gov.pl/attachment/8196524f-687b-40e6-aca8-82c53ff8e6db>, (access 6.11.2021).

Research methodology

Research results

The primary method used in the research is the content analysis. After Klaus Krippendorff, content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use.²³ The application of this methods allowed – on the basis of the semantic feature of investigated contents – to formulate conclusions as regards the perception of interdependence between the economy and security in the context of the concepts of geoeconomics and economic statecraft.

The “Defence Concept of the Republic of Poland”, like other analysed documents, does not refer directly to the concepts of geoeconomics and economic statecraft. Nevertheless, there are fragments which demonstrate the awareness of interdependence between the economy and security. Economic and social environments are mentioned as being among the main challenges for security.²⁴ This shows that the assumed approach is close to the concept of geoeconomics as regards its direction, though manifestly weaker – the stress has been put on the traditional domain of political rivalry and military threats.

The document does not provide many specific examples of economic threats either. They include the risks associated with the energy sector. The concept postulates that a significant factor for emancipating Poland’s position on the international area must involve becoming independent from the deliveries of major energy raw materials from a single supplier.²⁵ Undoubtedly, this refers to the energy blackmail employed by Russia – a measure that fits into economic statecraft. The Concept also mentions the issue of technological rivalry between states, arguing that its main participants will be global economic powers,²⁶ which is consistent with both the geoeconomic paradigm as well as the economic statecraft assumptions. The document also refers to non-state actors, mentioning in this groups *inter alia* supranational corporations, indicating the diversity of their motivations and manner of operations,²⁷ as well as the fact that they will generate technological solutions unavailable for state institutions.²⁸ It is not clear, however, what those technologies are and in what way it affects state security. Generally, however, the Concept is, with a view to its origin, focused on military problems. Economic issues are treated decidedly marginally.

The “Polish Foreign Policy Strategy” mentions the issue of development, beside security and authority, as one of the three main priorities of Polish diplomacy.²⁹ An emphasis on supporting Polish entrepreneurship and economic initiatives with the use of the diplomatic apparatus indicates

23. K. Krippendorff, *Content Analysis: An Introduction to Its Methodology*, 2nd edition, Sage Publications 2004, p. 18.

24. *Koncepcja Obronna Rzeczypospolitej...*, op. cit., p. 33.

25. Ibidem.

26. Ibidem, p. 37.

27. Ibidem, p. 21.

28. Ibidem.

29. *Strategia Polskiej Polityki...*, op. cit., p. 5.

an interdisciplinary approach, in which economic goals are to be attained through political means. Thus, a significant portion of detailed activities of Polish international policy is to be determined by economic interests, which is consistent with the geoeconomic theses.

The “Polish Foreign Policy Strategy” elevates the significance of soft power as an important instrument of shaping the position and security of the state. Soft power is to strengthen international standing and credibility, which are to allow attaining the objective of foreign policy and security with lesser outlays.³⁰ Building such international credibility is to require *inter alia* an interest in the problems of global politics (going beyond Poland’s immediate neighbourhood) as well as granting development assistance to Third World countries.³¹ Delivery of international assistance is one of the examples of economic statecraft enumerated by Baldwin.³² However, the Strategy does not suggest employment of conditionality, which would be a classical example of utilising development assistance for the implementation of national interests.

Another economic statecraft instrument perceived by the “Polish Foreign Policy Strategy” is the employment of pressures and blackmail by integrational groups (international organisations). An example of such institutions is to be the Eurasian Union, where Russia plays the leading role.³³ And although the Strategy stresses that Western international institutions are founded on values and voluntary cooperation based on mutual interests, the authors of the Foreign Ministry’s document draw attention to potentially negative consequences dependency on the EU institutions as regards distribution of European funds.³⁴

The “Strategy of National Security of the Republic of Poland” draws much attention to economic issues. They are also treated as an element which consolidates the country’s security – the economic potential is to be translated into the defence potential. It is an element consistent with other documents analysed in this article. However, the Strategy barely mentions any specific instruments which could be classified as belonging to economic statecraft. Development issues, such as the scientific and technological potential,³⁵ are discussed as separate problems vaguely referring to the problem of security. A similar approach is assumed as regards such issues as health protection, demographics or ecology. It seems that the definition of security adopted in the Strategy is very broad and covers almost all major domains of public policy. Ecological issues are identified as “ecological security”,³⁶ those associated with health – as “health security”, etc. The authors of the document approached economic problems in a similar way. They were given a lot of attention, *inter alia* in the

30. Ibidem, p. 21.

31. Ibidem.

32. D. Baldwin, *Economic Statecraft*, op. cit., p. 41.

33. *Strategia Polskiej Polityki...*, op. cit., p. 3.

34. Ibidem, p. 14.

35. *Strategia Bezpieczeństwa Narodowego...*, op. cit., p. 36.

36. Ibidem, p. 10.

“economic security” section, through very few practical links between economic policy and security were identified. The economy is in the Strategy one of the factors that shape the security environment, as well as one of the domains that may generate threats to the state. The stress is put on economic issues, though it is too feeble to warrant speaking about the geoeconomic paradigm in the context of the strategy.

The “Polish Foreign Policy Strategy” somewhat more specifically outlines the problem of technology in this context. Its authors identify a number of concrete solutions, such as the 5G network, the Internet of Things, cloud computing, quantum technology, automation of services, machine learning, nanotechnology or artificial intelligence. Emphasised are potential economic benefits of the development of those solutions and at the same time identified are “previously unknown threats”.³⁷ In this context, one of the challenges for Poland is to be an attempt to make the country independent from external technology suppliers and transitions from the role of user to the role of creator of technologies.³⁸ In this connection, the Strategy puts a considerable emphasis on the development of Polish scientific and technological potential to serve both economic development and national security.³⁹

37. *Ibidem*, pp. 7–8.

38. *Ibidem*.

39. *Ibidem*, p. 36.

Conclusions

Intensification of international rivalry as well as its significant economic dimension should trigger reflection on the condition of the economic aspects of economic security in Poland. One of the manifestations of the official government approach in the discussed context is strategic planning in the area of the economy and security. The purpose of this article has been to examine strategic documents of the Polish government to identify therein the political instruments used in the economic domain. It has been also verified to what extent those strategies recognise the area of the economy as being of importance for international relations and security. To this end, the concepts of economic statecraft and geoeconomics have been employed. It has been found that the strategic documents in the area of security and international politics generally pay attention to the interdependence of politics and economics as well as multifacetedness of national security. However, the thesis that the examined documents had been based on the geoeconomic paradigm is unwarranted. The examined strategies treat economic factors as one of many aspects of security. They do not grant them absolute priority and do not find the economic interest of the state to be superior. Economic statecraft tool is not distinguished as a separate category of state instruments. It should be noted, however, that in several areas the analysed documents identify the awareness that other states use such instruments. First of all, mention should be made here of the energy blackmail as a weapon used by Russia.

The examined documents focus on the need to protect against the operations of this type, which may be recognised as an example of defensive economic statecraft. However, no proposals for the development of proprietary Polish economic leverages as an instrument of building up state power – offensive economic statecraft – have been identified. Also noted should be a relatively poor awareness expressed in the examined documents as regards the possibility of using economic statecraft instruments vis-à-vis Poland by her allies.

A valuable direction of further research may be combination of the problems of security and the economy in countries whose potential is similar to that of Poland, especially those with the established traditions of using economic statecraft both in the defensive and offensive dimension. One of the inspirations may be the School of Economic Warfare (Fr. *École de guerre économique*) operating in France. The very notion of economic statecraft seems to be worth popularising in Polish science and politics. A consistent and structured use of this concept in state discourse (e.g. in government documents) as well as in academic discourse may lead to consolidating the conviction that purposefully conducted economic policy is of key importance for state security.

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