

ECONOMIC SECURITY IN AN ERA OF GLOBAL FINANCIAL INTEGRATION: MACROECONOMIC VULNERABILITIES, POLITICAL RISKS, AND STATE INTERVENTION CAPACITY

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Abstract

This article develops a multidimensional theoretical framework for understanding when and under what conditions economic security becomes threatened in an era of deepening global financial integration. Existing literature predominantly addresses economic security through fragmented and disconnected analytical lenses—focusing separately on financial vulnerabilities, social welfare, production structures, or institutional capacity—without adequately theorizing the interactions among these dimensions. This study consciously departs from such reductionist and compartmentalized approaches by conceptualizing economic security as a dynamic process shaped by the simultaneous interplay of financial, real economic, social, and institutional vulnerabilities. Employing a qualitative theoretical methodology grounded in analytical synthesis and conceptual abstraction, the article proposes a comprehensive analytical framework encompassing twenty-five critical conditions indicating when a country's economic security is under threat. These conditions are systematically structured under four vulnerability clusters: macro-financial fragilities, real economy and production risks, social welfare and employment challenges, and institutional capacity and governance weaknesses. The framework's distinctive contribution lies in theorizing state intervention capacity not as an external determinant of economic security outcomes but as an intrinsic and constitutive component of economic security itself. This reconceptualization provides a theoretically coherent and analytically operational reference point for future empirical studies, comparative case analyses, and index development initiatives.

Keywords: Economic Security; Financial Vulnerability; State Capacity; Macroeconomic Stability; Global Financial Integration; Institutional Resilience; Political Economy

1. INTRODUCTION

The concept of economic security has evolved from a marginal topic of debate to an increasingly central analytical category within the international political economy literature over the past decade of deepening global financial integration. This transformation is not merely a reflection of growing academic interest; it is a direct consequence of the global economic structure itself becoming more fragile and unpredictable. The liberalization of capital movements, the integration of financial markets, and the global-scale reorganization of production networks have expanded growth opportunities for countries while simultaneously generating new and complex domains of vulnerability. This structural transformation clearly demonstrates that economic

security cannot be assessed solely through macroeconomic performance indicators; rather, it must be understood as a multidimensional phenomenon that encompasses states' resilience to crises, their intervention capacity, and their policy autonomy (Tooze, 2021; Gabor, 2020).

Within this framework, contemporary literature no longer confines economic security to the narrow sense of "economic stability"; instead, it conceptualizes it as a multi-layered phenomenon intertwined with national security, social stability, and foreign policy autonomy. Financial crises, currency shocks, or supply chain disruptions can directly affect not only economic welfare but also political stability, social cohesion, and state capacity. Consequently, economic security has transcended the traditional realm of "low politics" to become an integral component of the "high politics" agenda. Thus, economic security emerges as a distinctive field of analysis that diverges from yet maintains critical intersections with classical security studies (Farrell & Newman, 2019; Drezner, 2021).

The global supply chain disruptions experienced in the post-COVID-19 period, together with energy and food price shocks and rising global interest rates, have starkly exposed external financing dependence and currency vulnerabilities in numerous countries. Factors such as capital flight risk, exchange rate volatility, and reserve inadequacy have concretely demonstrated that economic security can come under sudden and systemic threat. These crisis experiences have proven that economic security is not exclusively a concern for developing countries; rather, it constitutes a structural risk domain in every context where global integration has deepened. These contemporary experiences confirm that economic security must be understood not as a static condition but as a dynamic process sensitive to contextual circumstances (IMF, 2023; BIS, 2022).

Nevertheless, the existing literature predominantly addresses economic security at fragmented and disconnected levels of analysis. While some studies focus on financial vulnerabilities and external debt dynamics, others foreground dimensions of social welfare, employment, or income distribution. Institutional capacity, policy predictability, and the state's fiscal room for maneuver during crisis periods often remain at secondary levels of analysis or are entirely neglected. More importantly, how these different dimensions of vulnerability trigger one another, under what conditions they emerge concurrently, and how they transform into systemic threats have not been sufficiently examined in the literature. This fragmented approach seriously impedes the holistic conceptualization of how the various dimensions of economic security interact with one another (Baldwin & Evenett, 2020; Helgadóttir, 2022).

Beyond this fragmentation in the literature, a more fundamental theoretical problem exists: a significant portion of existing studies either reduces economic security to financial stability indicators alone or offers broad yet analytically loose definitions. This situation makes it difficult to systematically determine under which conditions economic security genuinely comes under threat. In particular, how processes such as excessive dependence on external financing, the persistence of macroeconomic uncertainty, and institutional weakening interact with one another and at what thresholds they transform into systemic threats have not been adequately theorized. This deficiency impedes both comparative analysis and the development of an actionable early warning framework for policymakers. This theoretical gap constitutes a serious shortcoming in terms of both conceptual clarity and analytical comparability (Knaack & Gruin, 2023).

This article addresses economic security not through singular indicators but as a multidimensional and relational domain of vulnerability, with the aim of filling this theoretical gap. The study consciously departs from prevailing reductionist and fragmented approaches, conceptualizing economic security through the

simultaneous interaction of financial, real economic, social, and institutional dimensions. The fundamental premise of this study is that the emergence of threats to economic security typically results not from a single shock but from the convergence of mutually reinforcing structural and conjunctural vulnerabilities. This approach necessitates thinking about economic security in conjunction with its financial, social, and institutional dimensions; thereby, it aims to transcend the fragmentation prevalent in the existing literature.

In this context, the article proposes a multidimensional analytical framework encompassing twenty-five critical conditions that indicate when a country's economic security comes under threat. This framework is structured around four fundamental clusters of vulnerability: (i) macro-financial vulnerabilities, (ii) real economy and production structure risks, (iii) social welfare and employment challenges, and (iv) institutional capacity and governance weaknesses. This framework moves beyond classical macro-financial vulnerabilities such as external debt unsustainability, excessive dependence on external financing, currency crisis risk, and inflationary instability, systematically analyzing dimensions that are treated in a scattered manner in the literature—including employment insecurity, income erosion, poverty, supply chain fragility, and institutional weakening—within a coherent analytical whole.

One of the distinctive features of this article is its direct linking of economic security to the state's intervention capacity and its theorization of this capacity as a constitutive element of economic security. This approach treats state capacity not as an external factor determining the outcome of economic security but as an intrinsic component that constitutes economic security itself. Elements such as budget deficits, fiscal sustainability, and loss of flexibility in public finance are addressed not merely as indicators of economic performance but as factors that determine the limits of counter-cyclical policy-making capacity during crisis periods. Consequently, economic security is conceptualized as a phenomenon directly connected to the extent and timing of the state's ability to deploy its policy instruments (Mazzucato, 2021; Blyth, 2022).

The deepening of economic vulnerabilities also indirectly shapes states' foreign policy preferences and strategic autonomy. Countries that are excessively dependent on external financing and facing elevated risk premiums possess more limited bargaining power in international negotiations and may lose their strategic decision-making capacity. In this context, economic security is directly related to Farrell and Newman's (2019) conceptualization of "weaponized interdependence," as economic vulnerabilities can become instruments of pressure and influence for external actors. This situation points to a critical area where economic security intersects with foreign policy and geopolitical positioning, clearly demonstrating that economic vulnerabilities are not merely matters of domestic policy (Farrell & Newman, 2020; Jones & Hameiri, 2021).

The primary objective of this study is to develop a comprehensive and analytically coherent theoretical framework capable of explaining when and under what conditions economic security comes under threat. In pursuit of this objective, the study adopts a normative-analytical position that critically restructures existing theoretical approaches and develops an original analytical proposition, rather than offering a descriptive literature review. The article does not aim to present an empirical test; rather, it seeks to reconceptualize vulnerabilities that are addressed in a scattered manner in the literature within a systematic and analytical whole. In this respect, the study is positioned as a qualitative and theoretical analysis, prioritizing conceptual clarity and analytical comparability as its primary objectives.

This article offers three fundamental theoretical contributions to the literature. First, it aims to transcend reductionist and fragmented approaches in the literature by redefining economic security as a multidimensional

domain of vulnerability. This contribution theoretically grounds the proposition that economic security cannot be measured by a single indicator but can only be understood through the interaction of different dimensions of vulnerability. Second, through a detailed twenty-five-dimensional analytical framework, it establishes economic security on a systematic, comparable, and analytically processable conceptual foundation. This framework provides a theoretical reference point for future empirical studies, comparative case analyses, and indexation initiatives. Third, it theorizes the state's intervention capacity not as an external variable of economic security but as a central and constitutive component. This final contribution presents a systematic critique of the neglect of state capacity in economic security analyses and proposes an alternative theoretical position.

The remainder of the article is structured as follows: The second section explicates the study's methodological approach and analytical strategy. This section transparently demonstrates how knowledge production is conducted in a theoretical study. The third section critically discusses the economic security literature and clarifies the theoretical gap. This section establishes the article's position within the literature and its points of divergence from existing approaches. The fourth section presents the analytical framework that forms the backbone of the article and its twenty-five-dimensional structure. This section contains the study's primary theoretical contribution. The fifth section deepens the theoretical analysis through selected vulnerabilities. This section demonstrates the analytical operability of the framework. The sixth section discusses the findings in relation to the literature, the seventh and eighth sections address theoretical implications and limitations respectively, and the final section presents the general conclusions.

2. METHODOLOGY / METHODOLOGICAL APPROACH

This study is designed as qualitative research that aims not to generate empirical data but rather to construct a conceptual, analytical, and theoretical framework for explaining the phenomenon of economic security. This methodological choice is grounded in the recognition that multidimensional and context-sensitive phenomena such as economic security cannot be empirically tested without first achieving conceptual clarity. Methodologically, the study is positioned at the intersection of international political economy (IPE), security studies, and macroeconomic stability literatures, adopting an integrative perspective that synthesizes the theoretical resources offered by these three fields. This positioning rests on the assumption that economic security cannot be adequately explained through the conceptual tools of any single discipline alone, but can only be understood through an interdisciplinary analytical framework. In this context, the article adopts an interpretive-analytical approach to knowledge production that focuses on the redefinition of concepts, their relational structuring, and their synthesis within an analytical whole, rather than on positivist causal testing or the examination of statistical relationships between variables (Blyth, 2022; Knaack & Gruin, 2023). This epistemic position is consistent with the *Verstehen* (understanding) tradition in the social sciences and emphasizes the priority of conceptualization over measurement.

In theoretical analysis articles, the methodology section serves a different function than describing datasets or sampling strategies: it bears the responsibility of explicitly demonstrating how knowledge is produced, from which sources and with what justifications concepts are derived, and through which logical steps arguments are constructed. This transparency constitutes the fundamental condition for the scientific legitimacy of theoretical work. This study does not aim to develop an index or set of indicators for measuring economic security; instead, it offers a multidimensional analytical map capable of explaining under what conditions and

through which mechanisms economic security becomes threatened. This map aims to render visible the interactions between different dimensions of vulnerability and to illuminate the systemic nature of economic security at the conceptual level. Consequently, methodological consistency is evaluated not through empirical verification or statistical significance, but rather through conceptual coherence, analytical comparability, and internal logical consistency (Drezner, 2021; Helgadóttir, 2022). These evaluative criteria align with established academic standards regarding what constitutes "good theory" in theoretical articles (Whetten, 1989).

The multidimensional economic security framework at the center of this article has not been directly derived from a single theoretical approach or created through the adaptation of an existing model. Rather, this framework has been constructed through a systematic, three-stage methodological process. In the first stage, the literature on economic security, financial vulnerability, crisis political economy, and state capacity published between 2019 and 2025 was systematically reviewed, drawing on SSCI and Scopus-indexed journals as well as reports from international organizations. This review employed the key concepts of "economic security," "financial vulnerability," "macroeconomic fragility," "state capacity," and "crisis resilience." In the second stage, recurring vulnerability themes in this literature were comparatively classified along the axes of macro-financial, real economy, social welfare, and institutional dimensions. This classification was conducted in accordance with the principles of thematic analysis, through the identification of recurring patterns and their grouping under analytical categories. In the third and final stage, these themes were analytically restructured to reflect the multidimensional nature of economic security and to render visible the interactions between different areas of vulnerability. This process demonstrates that the framework is not a random compilation but rather a structure that is literature-based, comparative, and analytically justified (Tooze, 2021; Gabor, 2020). This study aims not to comprehensively and encyclopedically convey the relevant literature, but rather to produce a critical and selective synthesis. Not every vulnerability element discussed in the literature has been included in the framework; only those elements meeting three fundamental criteria have been selected: first, those that threaten economic security systemically rather than singularly; second, those capable of producing cascading effects by operating in interaction with other vulnerability dimensions; and third, those that directly constrain the state's policy capacity and intervention space. These criteria were consciously determined to ensure the analytical consistency of the framework and to prevent arbitrary expansion. For instance, elements that are effective only at the sectoral level or that do not produce interactions with other vulnerabilities have been excluded from the scope. This selectivity principle aims to demonstrate that the twenty-five dimensions included in the framework were determined not randomly or out of concern for comprehensiveness, but rather on the basis of analytical justifications and criteria of systemic importance. Thus, the framework offers a structure that is analytically processable and capable of laying the groundwork for comparative studies, rather than being merely a descriptive list (Farrell & Newman, 2019; Baldwin & Evenett, 2020).

Methodologically, this study explicitly draws upon a comparative political economy perspective. However, the comparison adopted here is conducted not as a quantitative analysis across countries or periods, but rather through the conceptual-level comparison of vulnerability patterns recurring in different contexts and their structuring under common analytical categories. This approach is consistent with the logic of "analytical generalization" (Yin, 2018) and, unlike statistical generalization, aims at the transferability of conceptual structures. This approach aims not to generalize from the experience of a particular country or period, but rather to define at the conceptual level the vulnerability dynamics that are structurally produced under

conditions of global financial integration and that manifest in similar ways across different contexts. Accordingly, the framework does not claim to be a universal model; however, it offers a common conceptual reference point for comparative analysis (Jones & Hameiri, 2021; Knaack & Gruin, 2023). This limitation facilitates rather than impedes the framework's adaptability and testability in different contexts.

The methodological originality of this study stems from its treatment of economic security not merely as a matter of economic performance or macroeconomic equilibrium, but as a multidimensional analytical domain that intersects with security, governance, and state capacity. For this reason, the article integrates the concepts of "vulnerability," "resilience," and "strategic autonomy" used in the security studies literature with economic analysis, operationalizing these concepts as analytical tools for explaining macroeconomic and social vulnerabilities. These conceptual bridges are essential for understanding the security consequences of economic processes and how security concerns shape economic policies. This interdisciplinary approach rests on the assumption that economic security must be understood not only through market indicators and financial variables, but also in conjunction with institutional capacity, social resilience, and political context. Thus, the study transcends the traditional disciplinary divide between economics and security, offering an integrative analytical perspective (Farrell & Newman, 2020; Tooze, 2021). This integration is also consistent with "securitization" debates and contributes to understanding when and how economic issues become security issues.

Finally, this study explicitly acknowledges that the multidimensional framework it presents is a conceptual and analytical proposal. The framework does not claim direct empirical testing, econometric modeling, or causal inference; it leaves such verification efforts to future research. It should be particularly noted that the framework has not been derived from the experience of any specific country or region, and its applicability to economies at different levels of development awaits empirical testing. However, this methodological choice should be understood not as a deficiency or weakness of the study, but as a conscious scope delimitation and analytical focusing strategy. Theoretical framework construction is a necessary step that precedes and enables empirical testing; this study aims precisely to take this step. Accordingly, the fundamental objective of this article is to provide a theoretically sound, conceptually coherent, and analytically processable starting point for future empirical studies, comparative case analyses, indexation initiatives, and policy evaluations (Mazzucato, 2021; Blyth, 2022). In this sense, the study aims to establish the conceptual foundation of what Lakatos (1970) termed a "progressive research programme."

3. THEORETICAL BACKGROUND / LITERATURE REVIEW

In recent years, the concept of economic security has transformed from a marginal area of debate within the international political economy literature into a central analytical category. This conceptual ascent represents not merely an increase in academic interest, but also a direct reflection of the global economic structure itself becoming more fragile and unpredictable. This transformation is not coincidental: successive global financial crises, systemic disruptions caused by the COVID-19 pandemic, shocks to energy and food supplies, and intensifying geopolitical tensions have strikingly revealed the security implications of economic processes. Particularly, supply chain disruptions and global inflationary pressures experienced in the post-2020 period have concretized the direct effects of economic vulnerabilities on state capacity, social cohesion, and political stability. In this context, economic security has moved beyond the traditional realm of "low politics" to become an integral part of the "high politics" agenda (Buzan, Wæver & de Wilde, 1998). In light of these developments,

contemporary literature necessitates examining economic security no longer solely through growth and stability indicators, but in conjunction with state intervention capacity, societal resilience, and institutional adaptive capacity (Tooze, 2021; Drezner, 2021).

A significant portion of the theoretical and conceptual origins of the economic security literature is grounded in financial stability and crisis research. This strand of literature gained considerable momentum particularly following the emerging market crises of the 1990s and the 2008 global financial crisis (Reinhart & Rogoff, 2009; Eichengreen, 2019). This research tradition predominantly focuses on external debt dynamics, capital flow volatility, currency and banking crises, and structural vulnerabilities of the financial system. These studies powerfully demonstrate, both empirically and theoretically, the destructive effects of macro-financial shocks on economic stability. Nevertheless, this approach largely reduces economic security to financial variables and market indicators, analytically relegating the societal, productive, and institutional dimensions of vulnerabilities to a secondary level. In particular, the transmission mechanisms through which financial instability affects employment, income distribution, social welfare, and state capacity have not been adequately theorized in this literature (Gabor, 2020; BIS, 2022). This reductionist approach proves inadequate in explaining the social and political consequences of financial crises and impedes a holistic conceptualization of economic security.

In the international political economy literature, structural dependence on external financing and asymmetric power relations generated by global integration stand out among the fundamental determinants of economic security. The "sudden stop" phenomenon conceptualized by Calvo (1998) and Obstfeld's (2012) "financial trilemma" framework are among the core analytical tools of this literature. The liberalization of capital movements has expanded countries' growth opportunities while simultaneously deepening new and complex vulnerability dynamics such as sudden stops, speculative capital outflows, and risk premium shocks. This strand of literature powerfully demonstrates, with robust analytical tools, how external financing dependence constrains macroeconomic policy autonomy particularly in developing economies, and how economic security is systematically eroded through exposure to external shocks. However, this approach largely leaves unexplained how external financing problems become internalized through social and institutional channels and transform into persistent vulnerabilities (Farrell & Newman, 2019; Knaack & Gruin, 2023). In other words, the cascading effects of external financing vulnerabilities on the real economy, employment, and social welfare are not systematically examined in this literature.

Recent research has expanded the conceptual framework by addressing economic security not only through realized crises and shocks but also from the perspective of uncertainty and expectation management. The "Economic Policy Uncertainty Index" developed by Baker, Bloom, and Davis (2016) and Bloom's (2014) analysis of uncertainty shocks constitute the empirical foundations of this literature. The persistence of volatility among interest rates, exchange rates, and inflation rates directly affects investment and consumption decisions, driving economic actors' behavior toward defensive and short-term patterns. This perspective reveals that economic security is shaped not only by objective indicators but also by its perceptual, expectation-based, and behavioral dimensions. It is particularly emphasized that in environments where uncertainty becomes chronic, defensive and speculative behavioral patterns replace economic actors' rational calculations, rendering economic security even more fragile. However, this literature does not analyze with sufficient depth how uncertainty produces differentiated effects at social and institutional levels and through which

mechanisms it transforms into a systemic security threat (Blyth, 2022; Helgadóttir, 2022). In particular, the asymmetric effects of uncertainty on different social groups and economic sectors have not been adequately disaggregated in existing studies.

In contrast, vulnerabilities pertaining to the real economy and production structure are predominantly treated in the literature as a separate and independent field of analysis, insufficiently integrated with the economic security framework. Import dependence, supply chain vulnerabilities, energy and food supply risks, and issues concerning critical intermediate goods and strategic input procurement are generally discussed within the context of trade policies, industrial strategies, or energy security. Gereffi and Fernandez-Stark's (2016) global value chains analysis and Miroudot's (2020) supply chain resilience framework are among the pioneering studies in this field. This fragmented treatment leads to insufficient theorization of the complex interdependencies between production continuity and financial stability. Yet the global supply chain disruptions experienced during the COVID-19 pandemic concretely demonstrated how rapidly and profoundly vulnerabilities in the production structure can affect macro-financial stability and social welfare. In this context, the systematic integration of real economy vulnerabilities into economic security analyses emerges as a theoretical necessity (Baldwin & Evenett, 2020). Unless this integration is accomplished, economic security analyses will continue to offer an incomplete perspective that excludes the production dimension.

The social dimension of economic security is predominantly addressed in welfare state, social policy, inequality, and poverty literatures. Esping-Andersen's (1990) welfare regime typology and Piketty's (2014) inequality analysis constitute the conceptual foundations of this literature. Phenomena such as unemployment, employment precarity, real wage and income erosion, and cost-of-living crises are generally examined within the framework of social policy interventions and redistribution mechanisms. However, these social dynamics are not directly and systematically linked to macro-financial vulnerabilities; the causal channels between them remain insufficiently illuminated. Yet social processes such as rising unemployment, real income loss, and declining living standards are the fundamental transmission channels that determine how economic shocks affect political legitimacy, institutional stability, and state capacity. The neglect of the social dimension of economic security prevents vulnerabilities from being grasped in their full scope and limits the effectiveness of policy interventions (OECD, 2021; Helgadóttir, 2022). This disconnect particularly complicates the theoretical explanation of how economic crises transform into social discontent and political instability.

The literature on institutional capacity, governance quality, and policy predictability addresses economic security predominantly at an indirect and abstract level. Acemoglu and Robinson's (2012) institutional quality analysis and Rodrik's (2018) democracy-economy relationship framework constitute the theoretical underpinnings of this literature. These studies persuasively emphasize that strong and reliable institutions enhance resilience against economic shocks and crises. Nevertheless, the direct effects of institutional weaknesses and policy inconsistencies on economic security, and the mechanisms through which these effects operate, are often left analytically ambiguous. Policy consistency, expectation management, trust relationships with economic actors, and institutional reputation constitute the critical institutional backbone of economic security. However, these dimensions are treated in a fragmented manner in the literature; systematic linkages with financial, real, and social vulnerabilities are not established. This results in theoretical incompleteness regarding how and under what conditions institutional factors determine economic security (Jones & Hameiri, 2021). In particular, how institutional weakening leads to the erosion of economic actors' expectations and

confidence, and how this erosion deepens vulnerabilities, has not been sufficiently addressed in the existing literature.

As clearly evident from the literature review presented above, the common and fundamental problem of these different strands of literature is their failure to address economic security within a holistic, consistent, and integrated framework. Financial vulnerabilities, production structure and supply security, social welfare and employment dynamics, and institutional capacity and governance quality are generally examined at disconnected analytical levels and within different disciplinary traditions. This fragmented and silo-type approach seriously impedes the comprehension of the multidimensional and relational nature of economic security. More importantly, under what conditions different vulnerability domains trigger one another, how they produce cascading effects, and at what thresholds they constitute a systemic security threat have not been adequately explained and theorized in the existing literature. This fragmentation prevents both comparative analysis and the development of an applicable early warning framework for policymakers.

In recent years, the security studies literature has begun to pay increasing attention to economic processes and to integrate these processes into its analytical agenda. Blackwill and Harris's (2016) geoeconomics analysis and Leonard's (2016) conceptualization of "connectivity power" are among the pioneering studies of this new approach. Concepts such as "economic statecraft," "strategic autonomy," and "weaponized interdependence" theoretically demonstrate that economic instruments and networks have become an integral part of security policies. These conceptual developments show that the traditional distinction between economics and security is analytically unsustainable. However, this literature predominantly backgrounds the internal macroeconomic dynamics, social transmission mechanisms, and institutional determinants of economic security, focusing instead on external pressures and geopolitical competition. This creates an analytical disconnect between the internal and external dimensions of economic security (Farrell & Newman, 2020). Consequently, the conceptual tools offered by security studies await integration with the internal dynamics of economic security. This comprehensive literature review clearly demonstrates that economic security is examined under numerous subheadings, disciplinary traditions, and analytical levels; however, these different approaches have not been brought together in a systematic, consistent, and integrative analytical framework. The existing literature treats four fundamental vulnerability domains—financial, real, social, and institutional—independently and does not adequately theorize the interactions among them. In particular, how these vulnerability domains interact with one another, through which mechanisms they reinforce each other, and at which critical thresholds they constitute a whole that systemically threatens economic security have not been explained with sufficient conceptual clarity and analytical depth in the existing literature. This situation points to a serious theoretical gap awaiting to be filled in economic security research. This gap constitutes a structural deficiency that constrains both academic understanding and policy applications.

This article aims to fill the theoretical gap identified above by reconceptualizing economic security as a multidimensional vulnerability domain. Consciously departing from existing reductionist and fragmented approaches, the study addresses economic security through the simultaneous interaction of financial, real, social, and institutional dimensions. The study aims to systematically unify the vulnerability dimensions that are treated in a scattered, fragmented, and disconnected manner in the existing literature under a single holistic analytical map. Thus, rather than singular and fragmented indicators for explaining when and under what conditions economic security comes under threat, an integrated theoretical framework is offered that makes

visible the interactions and cascading effects among different vulnerability domains. This approach aims to place economic security on a conceptual foundation that is both analytically comparable and operationalizable for policy-making. In this respect, the study provides a theoretical reference point for future empirical studies, comparative case analyses, and indexing initiatives.

The critical literature discussion and theoretical gap analysis presented in this section constitute the theoretical foundation and justification for the analytical/conceptual framework to be developed in the following section. In the subsequent section, twenty-five critical conditions that threaten economic security will be addressed systematically and relationally under four fundamental vulnerability clusters—macro-financial vulnerabilities, real economy and production structure risks, social welfare and employment problems, and institutional capacity and governance weaknesses. Thus, the fragmented approaches in the literature revealed in this section will be reorganized within a holistic and analytically consistent structure, transforming them into a comprehensive theoretical framework that reflects the multidimensional nature of economic security. This framework offers an original contribution to the literature by conceptualizing economic security not as a static condition but as a dynamic process in which vulnerabilities remain unmanaged.

4. ANALYTICAL / CONCEPTUAL FRAMEWORK

4.1 Framework Logic and Scope

In this study, economic security is conceptualized not as a narrow condition of stability measurable through singular macroeconomic indicators, but rather as a multi-layered vulnerability structure simultaneously produced across financial, real, social, and institutional domains. This conceptualization deliberately distinguishes economic security from reductionist approaches prevalent in the existing literature—whether narrow definitions focused on financial stability or frameworks too broad to be empirically operationalized. The proposed approach enables the treatment of economic security not as a static outcome, but as a dynamic process wherein risks accumulating across different domains constitute a systemic threat upon reaching certain thresholds (Tooze, 2021; Gabor, 2020). This framework aims to address three fundamental gaps in the literature: (i) expanding the analytical scope of narrow definitions reduced to financial indicators, (ii) restructuring vulnerability dimensions treated in fragmented fashion into a relational whole, and (iii) theorizing state capacity not as an exogenous variable determining economic security outcomes, but as a constitutive component thereof.

This framework systematically structures twenty-five critical conditions indicating when a country's economic security comes under threat into four fundamental vulnerability clusters. The first cluster encompasses **macro-financial vulnerabilities** such as external debt unsustainability, dependence on external financing, current account deficits, capital outflows, currency crises, reserve inadequacy, risk premium increases, dollarization, inflation, and macroeconomic uncertainty. The second cluster comprises **real economy and production structure risks** including financial instability, credit contraction, financial system fragility, and private sector external debt vulnerability. The third cluster addresses **social welfare and employment problems** such as unemployment, employment insecurity, income erosion, income distribution deterioration, and poverty. The fourth and final cluster covers **institutional capacity and governance weaknesses** including import dependency, supply chain fragility, energy and food security risks, exposure to supply disruptions, budget deficits, fiscal flexibility loss, and institutional weakening. The relationship among these four clusters is not hierarchical but rather reciprocal and characterized by feedback mechanisms; the deepening of vulnerabilities

in one cluster may trigger or intensify risks in others.

The fundamental assumption of this framework is as follows: Economic security becomes a systemic threat not as the direct result of a shock in a single domain, but through the mutual triggering and reinforcement of different vulnerability dimensions upon reaching certain thresholds. This assumption necessitates a cumulative and interactional analytical logic in economic security analyses rather than linear causality models.

4.2 Macro-Financial Vulnerabilities

Within this framework, the first and most visible vulnerability domain of economic security is shaped through external financing relationships and macroeconomic balances. *External debt unsustainability*—the increase in debt burden and weakening of debt rollover capacity—indicates a fundamental structural problem that erodes economic security from its very inception. As Reinhart and Rogoff's (2009) comprehensive analysis of eight centuries of financial crisis history demonstrates, external debt dynamics constitute one of the most reliable leading indicators of economic crises. This situation narrows the economy's long-term policy space while structurally increasing vulnerability to external shocks.

Macroeconomic vulnerabilities are frequently deepened by *excessive dependence on external financing*. Changes in global interest rates, liquidity conditions, and investor risk appetite create disproportionate and asymmetric effects on economies within this dependency structure. The *chronic deterioration of current account balance* and the persistence of external financing needs, as emphasized by Obstfeld's (2012) "financial trilemma" framework, constitute one of the fundamental transmission channels weakening the sustainability of economic security. These three vulnerabilities—external debt, external financing dependence, and current account deficit—when considered together, form the fundamental macro-financial triangle determining the economy's structural sensitivity to external shocks.

This structural sensitivity becomes strikingly visible when capital flows reverse direction. The *"sudden stop"* dynamics conceptualized by Calvo (1998)—the acceleration of *capital outflows* and unexpected closure of financing channels—threaten economic security severely and rapidly. This process leads to sharp fluctuations in foreign exchange markets and *currency shocks*, rendering economic stability even more fragile; thus, financial vulnerabilities acquire a cascading character (Eichengreen, 2019).

Such shocks in foreign exchange markets affect not only external trade balances but also public and private sector balance sheets simultaneously. *Reserve inadequacy* severely constrains monetary authorities' intervention capacity, thereby laying the groundwork for crisis deepening. At this analytical juncture, economic security becomes directly linked not only to market dynamics but also to the state's policy toolkit—particularly foreign exchange reserves and monetary policy capacity (BIS, 2022). This relationship embodies one of the framework's core propositions: the interaction between macro-financial vulnerabilities and state capacity constitutes a critical intersection point determining the preservability of economic security.

Financial vulnerabilities are reinforced through market perceptions and the expectations channel, producing self-reinforcing dynamics. *Increases in borrowing costs and rising risk premiums*—observed through CDS spreads and bond interest rates—constitute concrete indicators of economic security's weakening in the eyes of investors and financial actors. This situation leads to diminishing confidence in the domestic currency and strengthening *dollarization* tendencies, thereby structurally eroding monetary policy effectiveness.

Price stability deterioration and *inflation* emerge as a critical vulnerability domain at the center of economic security. As Baker, Bloom, and Davis's (2016) economic policy uncertainty studies demonstrate, the inability

to manage inflation expectations severely weakens economic actors' long-term planning capacity, driving economic behavior toward short-term, defensive, and speculative patterns. The persistence of volatility among interest rates, exchange rates, and inflation transforms *macroeconomic uncertainty* from a transitory shock into a structural economic characteristic (Bloom, 2014). These ten macro-financial vulnerability dimensions should be understood not as independent variables but as a dynamic system that mutually triggers and reinforces itself.

4.3 Real Economy and Financial System Vulnerabilities

Macroeconomic uncertainty is transmitted to the real economy through the financial system, and this transmission process expands the scope of economic security. *Instabilities emerging in the banking sector* and *financial system fragilities* disrupt the normal functioning of the credit mechanism, leading to the weakening of financial intermediation. As Acharya, Engle, and Richardson (2022) emphasize, this situation creates a systemic risk domain threatening the continuity of economic activities.

The difficulty of accessing finance produces outcomes directly affecting economic security, particularly for the real sector and small-medium enterprises (SMEs). *Credit contraction* constrains firms' investment and production decisions, while liquidity squeezes strengthen economic stagnation tendencies. This process leads to the rapid spread of financial problems within the real economy and the increase of cascading bankruptcy risks. This transmission channel extending from the financial system to the real economy supports the framework's second core proposition: economic security threats exhibit cross-sectoral permeability, and vulnerabilities in one domain can rapidly spread to others.

Vulnerabilities in real sector balance sheets deepen particularly through *private sector external borrowing* structures, producing micro-macro interactions. Maturity mismatches and foreign currency-denominated liabilities exponentially increase the impact of currency shocks on firms, thereby functioning as a powerful transmission channel carrying economic security from micro to macro levels.

4.4 Social Welfare and Employment Dimension

The social dimension of economic security is shaped in an intertwined manner with the financial and real processes discussed above; however, this dimension remains an insufficiently theorized domain in the existing literature. *Rising unemployment rates* and *weakening employment security* threaten household income continuity, thereby eroding the social foundation of economic security. This situation renders the social costs of economic shocks visible and elevates economic security beyond merely a macroeconomic concept (OECD, 2021). The social vulnerabilities addressed in this section demonstrate that economic security is not merely a technical-financial matter but is also directly connected to political legitimacy, social cohesion, and democratic stability.

Real wage losses and income erosion further deepen the social dimension of economic security. *Rising living costs* and declining purchasing power transform economic security from an abstract policy objective to the center of households' everyday life experiences. As Helgadóttir (2022) emphasizes, this process increases *poverty risk*, thereby structurally weakening societal resilience.

Income distribution deterioration and *rising social inequality* lead to the unequal experience of economic security and its asymmetric distribution among social groups. As Piketty's (2014) comprehensive inequality analysis demonstrates, the concentration of economic fluctuations on particular social segments creates lasting effects that damage social cohesion and political legitimacy. In this context, economic security cannot be holistically understood while disregarding its distributional dimensions.

4.5 Strategic Dependencies and Supply Security

Production structure and external dependency constitute another strategic dimension of economic security. Structural dependence on external sources for *energy, food, and critical intermediate goods* renders the economy vulnerable to *supply disruptions and price shocks*. As Gereffi and Fernandez-Stark's (2016) global value chain analysis and Miroudot's (2020) supply chain resilience framework demonstrate, this situation directly threatens production continuity and industrial capacity. This vulnerability cluster serves as a critical bridge conceptually linking economic security to classical security studies—particularly energy security and strategic autonomy debates.

Supply chain disruptions—strikingly experienced during the COVID-19 pandemic—render visible the global dimension of economic security. Disruptions emerging in international production networks have concretely demonstrated that risks developing outside the control domain of national economies can produce serious internal consequences (Baldwin & Evenett, 2020). This process directly connects economic security to Farrell and Newman's (2019) conceptualization of "*weaponized interdependence*" and strategic autonomy debates.

4.6 State Capacity and Institutional Determinants

Whether these multi-dimensional vulnerabilities can be managed is closely linked to the state's fiscal capacity. The sustainability of public finances and *counter-cyclical policy-making ability* play a determinant role in preserving economic security during crisis periods. As Mazzucato (2021) emphasizes, *fiscal space contraction* and *budget deficit problems* emerge as critical factors that intensify the impact of economic shocks and constrain policy interventions. This analytical position constitutes one of the framework's fundamental points of departure from existing literature: state capacity is theorized not as an exogenous factor determining economic security outcomes, but as an endogenous component constituting economic security itself.

The overarching factor that cuts across all these domains and ultimately determines economic security is *institutional capacity and policy predictability*. As Acemoglu and Robinson's (2012) institutional quality analysis and Rodrik's (2018) economy-governance relationship framework demonstrate, in environments where rules become destabilized, policy signals become uncertain, and trust relationships weaken, all other economic vulnerabilities become more persistent and difficult to manage. Therefore, economic security must ultimately be considered together with institutional credibility and governance capacity.

4.7 Framework Limitations and Scope Conditions

The analytical power of this framework must be understood under certain scope conditions. The proposed structure possesses the highest explanatory power primarily in economies integrated into the global financial system and exhibiting structural dependence on external financing. In closed economies or countries with low levels of financial integration, the operation of vulnerability dynamics may differ. Similarly, the framework offers a macro-level analysis; sectoral or micro-level heterogeneities remain outside the scope of this analysis. Finally, the relative weights and interaction patterns among the twenty-five dimensions may vary according to context; therefore, the framework offers an analytical map rather than a normative ranking. These limitations indicate that the framework does not claim to be a universal model; however, it provides a theoretically consistent starting point for comparative analysis, empirical testing, and indexation initiatives.

5. THEORETICAL ANALYSIS / ARGUMENT DEVELOPMENT

The emergence of threats to economic security rarely occurs as the direct consequence of a singular macroeconomic shock; rather, it typically manifests as a systemic process in which vulnerabilities

accumulating across different domains trigger one another upon reaching certain thresholds. The central theoretical argument of this study rests on the proposition that economic security operates not through linear causality but through feedback-driven, cumulative, and context-sensitive vulnerability dynamics. This proposition represents a methodological departure from the single-shock-focused crisis analyses prevalent in the existing literature and necessitates approaching economic security from a multiple causation perspective. This analytical perspective aims to demonstrate the theoretical operability of the twenty-five-dimensional framework presented in the fourth section. Accordingly, economic security is conceptualized in this study not as the mere absence of stability, but as a structural conjuncture in which vulnerabilities become unmanageable, policy interventions prove inadequate, and risks deepen in cascading fashion. This conceptualization represents a deliberate divergence from the static approaches in the existing literature and enables the examination of economic security within a dynamic process analysis framework. The chain of argumentation presented in this section systematically demonstrates through which mechanisms this dynamic process operates and how vulnerability dimensions trigger one another.

The starting point of this systemic process lies in the excessive dependence on external financing and the deteriorations emerging in external debt dynamics, as emphasized in the analytical framework. This choice of starting point is consistent with empirical observations derived from crisis experiences in developing economies; however, it should be noted that triggering mechanisms may differ in advanced economies. Under conditions of global financial integration, economies that continuously base their growth strategies and current account financing on external capital inflows acquire a structural sensitivity to fluctuations in global interest rates, liquidity conditions, and investor risk appetite (Obstfeld, 2012). This sensitivity represents not merely a cyclical vulnerability but also a persistent dependency relationship that erodes the structural foundations of economic security. In the face of an external shock, this dependency structure causes economic security to weaken rapidly while simultaneously constraining the effective scope of national policy instruments—particularly monetary and fiscal policies—in a significant manner. As Rodrik's (2000) "trilemma" framework demonstrates, this constraint is structural in nature and creates coercive trade-offs among policy choices. This situation reveals that dependence on external financing constitutes not merely a macroeconomic preference but also a strategic vulnerability domain that determines the preconditions of economic security.

As dependence on external financing deepens, directional shifts in capital flows constitute a critical threshold point for economic security. The sudden stop phenomenon conceptualized by Calvo (1998) and the associated capital outflows do not merely interrupt financing channels; they also generate cascading and mutually reinforcing pressures on the exchange rate, foreign exchange reserves, and market expectations. This cascading effect is further supported by Reinhart and Rogoff's (2009) "contagion" analyses, which observe that the speed at which shocks in one domain spread to other domains frequently exceeds policy intervention capacity. At this stage, economic security transforms into a sudden and difficult-to-control vulnerability domain, as the speed and intensity of the shock often render the timing and effectiveness of policy responses meaningless. This dynamic substantiates the theoretical importance of the "capital outflow/sudden stop risk" dimension in the analytical framework and explains why economic security requires pre-established buffer mechanisms—strong reserves, low short-term debt ratios, and diversified financing sources. Consequently, sudden stop risk represents a vulnerability domain where reactive policy interventions prove inadequate and proactive risk management becomes imperative.

Exchange rate shocks and monetary instability constitute one of the central links in this vulnerability chain. Sudden and severe depreciations in the currency render inflation expectations unanchored, thereby driving economic actors' behavior toward a short-term, defensive, and speculative orientation. As Eichengreen (2019) emphasizes, this behavioral transformation creates a self-reinforcing dynamic that perpetuates exchange rate instability. In this process, the strengthening of dollarization tendencies emphasized in the analytical framework weakens the transmission mechanisms of monetary policy while also structurally eroding the monetary sovereignty dimension of economic security. The loss of confidence in the domestic currency signifies not merely a market preference but the weakening of the state's control over monetary policy and economic actors' flight from the national currency. Thus, currency crisis and dollarization cease to be a technical monetary policy problem and transform into a structural security issue threatening the institutional and sovereignty dimensions of economic security. This transformation demonstrates that monetary vulnerabilities generate decisive effects not only beyond financial stability but also on national policy autonomy. It should be noted, however, that the degree and effects of dollarization may exhibit significant variations depending on countries' institutional capacity and financial depth.

The financial system constitutes the primary channel through which macro-financial vulnerabilities are transmitted to the real economy, and this transmission process expands the scope of economic security. This transmission channel is theoretically consistent with Bernanke and Gertler's (1995) "financial accelerator" mechanism, demonstrating that shocks are amplified through the financial system and reflected in the real economy. The banking system and financial intermediation mechanisms tend to contract credit channels in environments where uncertainty rises and risk perception deteriorates. This process represents the concrete manifestation of the "credit contraction and access to finance crisis" and "financial system fragility" dimensions defined in the analytical framework. Credit contraction and problems in access to finance produce outcomes that directly threaten economic security, particularly for the real sector and small and medium-sized enterprises (SMEs). At this stage, financial vulnerabilities are carried to the social dimension through production disruptions and employment losses; thus, shocks that are initially financial in nature create lasting effects on social welfare and social cohesion. This transmission mechanism clearly reveals the inseparable link between financial stability and social welfare and the cross-sectoral permeability of economic security.

The intensification of pressures on the real sector triggers a cascading process that erodes the social foundations of economic security. Rising unemployment rates, the spread of employment insecurity, and the deepening of real income losses render the impact of economic shocks on households permanent and tangible. As Standing's (2011) concept of "precariat" indicates, this process signifies not merely temporary employment loss but the structuralization of precarious forms of work and the chronicization of social vulnerability. This situation demonstrates that economic security is shaped not only through macroeconomic indicators and financial variables but also through individuals' everyday life experiences, livelihood concerns, and future expectations. The "unemployment and employment insecurity" and "employment and income erosion" dimensions defined in the analytical framework conceptualize precisely this social transmission channel. At this point, economic security ceases to be an abstract policy objective or a technical macroeconomic equilibrium matter and becomes a phenomenon directly linked to social legitimacy, political stability, and social cohesion. This connection explains why economic security cannot be measured solely through financial indicators and why the social dimension must be placed at the center of analysis.

The deepening of social vulnerabilities generates a new and powerful feedback mechanism through income distribution dynamics and poverty patterns. The increase in income inequalities and the spread of cost-of-living crises lead to the asymmetric distribution of economic risks and shocks within society—to the detriment of low and middle-income groups. As Piketty's (2014) inequality analysis demonstrates, this asymmetric distribution becomes even more pronounced during crisis periods, and differences in wealth accumulation directly affect the capacity for protection against economic shocks. This asymmetric distribution structurally weakens societal resilience against economic shocks while also creating mounting pressures on political legitimacy and institutional stability. The "income distribution deterioration and rising social inequality" and "poverty and cost-of-living crisis" dimensions emphasized in the analytical framework theorize this feedback mechanism. Thus, economic security becomes directly and reciprocally linked to social cohesion, perceptions of social justice, and political stability. This mutual interdependence reveals that the preservation of economic security is related not only to macroeconomic policies but also to social policies and redistribution mechanisms.

Production structure and external dependence constitute the strategic dimension of this vulnerability chain and carry economic security into a domain that intersects with classical security concerns. Economies exhibiting structural dependence on imports for energy, food, and critical intermediate goods face serious difficulties in preserving economic security in the face of global supply shocks and supply chain disruptions. As the experiences during the COVID-19 pandemic concretely demonstrated, supply disruptions and price shocks simultaneously threaten both production continuity and social welfare, thereby rendering visible the multidimensional nature of economic security (Baldwin & Evenett, 2020). The "import dependence," "supply chain fragility," and "energy and food security risk" dimensions defined in the analytical framework conceptualize this strategic vulnerability domain. These dimensions directly connect economic security with Farrell and Newman's (2019) conceptualization of "weaponized interdependence" and discussions of strategic autonomy. This connection reveals that the conceptual boundaries between economic security and national security are becoming increasingly blurred and demonstrates the necessity of an interdisciplinary analytical approach. Consequently, vulnerabilities in production structure should be addressed not merely as a trade policy matter but as a strategic economic security component that intersects with national security and geopolitical positioning.

Whether this multi-layered vulnerability structure can be managed depends largely on the state's fiscal capacity and institutional competence. A state with deteriorated budget balances, weakened fiscal flexibility, and contracted countercyclical policy space cannot intervene effectively and timely in economic shocks. The "budget deficit and fiscal sustainability risk" and "loss of fiscal flexibility in public finance" dimensions emphasized in the analytical framework conceptualize this capacity problem. When fiscal space contracts, economic security becomes a domain surrendered to market dynamics and external conditions; because vulnerabilities cannot be contained through policy intervention, they spread more rapidly and deeply (Mazzucato, 2021; Blyth, 2022). This analytical position constitutes one of the study's fundamental points of divergence from the literature: state capacity is theorized not as an external factor determining the outcome of economic security but as an internal and constitutive component of economic security itself. This theoretical position represents a deliberate divergence from mainstream economic analyses that take state capacity as "given" and places the state-market relationship at the center of economic security. This conceptualization

offers a systematic critique of the neglect of state capacity in economic security analyses and proposes an alternative theoretical position.

The fundamental element that plays a decisive role over all these processes and explains the persistence of vulnerabilities is institutional capacity and policy predictability. In an environment where rules become destabilized, policy signals become ambiguous, and institutional trust relationships erode, economic actors—firms, households, and investors—gravitate toward defensive, short-term, and speculative behavioral patterns. The "institutional weakening and policy unpredictability" dimension defined in the analytical framework conceptualizes this dynamic and positions it as a higher-order determinant that cuts across all other vulnerability dimensions. As Acemoglu and Robinson's (2012) institutional quality analysis emphasizes, this situation creates a structural lock-in (path dependency) that makes the re-establishment of economic security difficult. Accordingly, economic security must ultimately be understood as a function not only of macroeconomic balances and financial indicators but also of institutional credibility, policy consistency, and governance quality. This conclusion reveals that preserving economic security requires, beyond technical economic policies, institutional reform and governance strengthening. The chain of argumentation developed in this section demonstrates the analytical operability of the multidimensional framework presented in the fourth section and provides theoretical grounding for why economic security must be addressed from a holistic perspective.

6. DISCUSSION

The multidimensional economic security framework developed in this study offers an integrative theoretical alternative to the fragmented and disconnected approaches prevalent in the existing literature. This integrative position aligns directly with the call by Buzan, Wæver, and de Wilde (1998) to transcend sectoral divisions in security studies. Financial vulnerabilities, social welfare concerns, weaknesses in production structures, and institutional capacity are predominantly addressed within separate disciplinary traditions and levels of analysis in the literature; the interdependencies and transmission mechanisms between these domains remain insufficiently theorized. However, the fundamental finding of this study is that economic security can only be comprehensively and analytically meaningfully understood when the simultaneous interactions and mutually triggering dynamics of these different vulnerability domains are taken into account. In this regard, the article reconceptualizes economic security as a continuous and multi-layered structural risk domain that cannot be reduced to singular crisis moments or specific shocks; thereby proposing a theoretical position that transcends the silo-type analyses in the literature. This conceptualization extends Reinhart and Rogoff's (2009) crisis typologies, enabling crises to be understood not merely as financial phenomena but as multidimensional vulnerability composites.

The first critical finding of the discussion is that financial vulnerabilities alone are insufficient to provide a comprehensive analysis of economic security. External debt dynamics, capital flow volatility, exchange rate shocks, and risk premium increases can rapidly and severely weaken economic security; however, whether these shocks transform from temporary disruptions into permanent security crises largely depends on their repercussions on the real economy, labor markets, and social welfare, as well as the feedback effects generated in these domains. This finding offers a complementary perspective to Calvo's (1998) sudden stop analysis, bringing the social transmission channels of financial shocks onto the analytical agenda. This analytical conclusion clearly demonstrates that distributional dynamics and social transmission mechanisms—frequently

neglected or treated as secondary in the financial stability literature—are positioned at the center of economic security. Consequently, narrow definitions focusing on financial indicators are assessed as providing a necessary but insufficient starting point for the systematic analysis of economic security. This assessment indicates that Obstfeld's (2012) financial trilemma framework needs to be expanded with social dimensions. The second significant finding is that different vulnerability dimensions do not emerge in isolation but predominantly manifest together, sequentially, and within mutually reinforcing dynamics. Excessive dependence on external financing, chronic current account imbalances, and sudden capital outflows typically materialize concurrently with currency crises, inflationary pressures, and financial instability, creating a cumulative vulnerability spiral in which they feed upon one another. This spiral structure extends Eichengreen's (2019) "twin crises" conceptualization toward triple and quadruple crisis dynamics. This cascading and feedback-driven structure theoretically demonstrates that economic security cannot be adequately explained through linear causality models; rather, it erodes through cumulative, interactional, and threshold-based processes. These phenomena, often examined as separate and independent variables in the literature, are treated within this study as interconnected and mutually conditioning components of a single analytical system; thereby theoretically establishing the necessity of an integrative perspective in economic security analyses. This theoretical foundation is compatible with complex systems approaches, enabling economic security to be addressed from a non-linear dynamics perspective.

Thirdly, the determinative role that social vulnerabilities play in the sustainability and restoration of economic security occupies a central position in the discussion. Rising unemployment rates, the proliferation of employment insecurity, real income erosion, and the deepening of cost-of-living crises function as processes that rapidly deplete the social legitimacy and political support of economic shocks. These processes are directly related to Standing's (2011) concept of the precariat and Piketty's (2014) inequality dynamics; they render visible the class-based and distributional dimensions of economic security. These findings clearly demonstrate that economic security is directly and inseparably connected not only to macroeconomic indicators and financial variables but also to households' everyday life experiences, livelihood concerns, and future expectations. Under conditions where social welfare has eroded and insecurity has become chronic, even the technical achievement of macroeconomic stability proves insufficient to restore the perception of economic security; rather, social vulnerabilities create a foundation that perpetuates the security problem. This conclusion establishes the theoretical necessity of positioning the social dimension at the analytical center of economic security analyses. This necessity points to the need for integrating Esping-Andersen's (1990) welfare regime typology with economic security analyses.

The fourth finding demonstrates that production structure, import dependency, and supply chain vulnerabilities have not yet attained the central position they deserve in the economic security literature. Yet structural external dependence on energy, food, and critical intermediate goods leads to the direct, rapid, and often policy-preempting transmission of global supply shocks and price fluctuations to the domestic economy. The supply chain disruptions experienced during the COVID-19 pandemic rendered visible in concrete and striking terms the strategic importance of this vulnerability dimension for economic security. This experience necessitates rereading Gereffi and Fernandez-Stark's (2016) global value chains analysis and Miroudot's (2020) supply chain resilience framework from an economic security perspective. This study conceptualizes production continuity and supply security issues as strategic and structural dimensions of economic security,

thereby expanding the scope of finance-centered analyses and conceptually linking economic security with classical security studies—particularly with energy security and strategic autonomy debates. This linkage integrates Blackwill and Harris's (2016) geoeconomics analysis and Leonard's (2016) conceptualization of connectivity power into the economic security framework.

Fifthly, the determinative role of state fiscal capacity and institutional competence in the preservability of economic security and the manageability of crises constitutes one of the fundamental conclusions of the discussion. It is observed that states with deteriorated budget balances, contracted fiscal flexibility, and weakened institutional predictability experience significantly deeper, longer-lasting, and socially more costly security crises even when exposed to similar external shocks. This observation confirms Acemoglu and Robinson's (2012) institutional quality analysis and Rodrik's (2018) democracy-economy relationship framework from an economic security perspective. This finding clearly reveals the analytical limits of approaches that reduce economic security solely to market dynamics and external conditions; it affirms the importance and necessity of theoretical approaches that position the state and state capacity at the center of the analytical framework. Consequently, economic security, within the framework proposed by this study, is conceptualized as a phenomenon directly connected to the extent, timing, and effectiveness with which the state can deploy its policy instruments (Mazzucato, 2021; Blyth, 2022). This conceptualization offers an original contribution to the literature by theorizing state capacity not as an external determinant of economic security but as an internal and constitutive component.

Sixthly, the analytical framework presented by this study theoretically demonstrates that economic security is a context-sensitive and conditional phenomenon. The same vulnerability dimensions can acquire different weights in different countries, periods, and institutional contexts, and can threaten economic security through different mechanisms. For instance, macro-financial vulnerabilities generally play a dominant role in developing economies, while social inequalities and institutional trust erosion may be more determinative in advanced economies (Helgadóttir, 2022). In some contexts, macro-financial vulnerabilities play the dominant role, while in others, social inequalities, institutional weaknesses, or vulnerabilities in production structure can shape economic security in determinative ways. This situation demonstrates that economic security cannot be measured by a universal, single-dimensional indicator; rather, it must be understood through a multidimensional, relational, and context-sensitive analytical map. This conclusion establishes that the framework does not claim to be a universal model; however, it provides a theoretically consistent and flexible reference point for comparative analysis, empirical testing, and context-specific adaptations. This flexibility is compatible with Yin's (2018) analytical generalization logic, strengthening the framework's testability and adaptability across different contexts.

Finally, the findings presented in this section demonstrate that economic security is not merely an analytical concept but also produces normative and practical implications for policy-making. Economic security should not be conceived solely as an emergency management matter to be addressed reactively during crisis moments; rather, it must be proactively considered as an integral and constitutive component of growth strategies, development policies, and governance reforms. This proactive approach is compatible with Lakatos's (1970) concept of progressive research programs, emphasizing that economic security must be managed as a dynamic process requiring continuous monitoring and adaptation rather than a static condition. In this context, the article proposes a comprehensive and integrated perspective that extends economic security beyond financial stability

in the narrow sense to address it together with social welfare, production continuity, supply security, and institutional reliability. This perspective clearly demonstrates that the preservation of economic security requires not only technical economic policies but also institutional reform, social resilience, and strategic planning dimensions. This multidimensional requirement theoretically establishes that economic security policies cannot be effectively implemented without cross-sectoral coordination and long-term planning capacity.

7. IMPLICATIONS

The primary theoretical implication of this study is that economic security constitutes a multidimensional and relational phenomenon that cannot be adequately explained through singular macroeconomic indicators. Under conditions of global financial integration, economic security cannot be assessed solely through growth rates, fiscal balances, or financial stability indicators; rather, it manifests as a dynamic composite of vulnerabilities simultaneously generated across financial, real, social, and institutional domains. Consequently, the processes that threaten economic security are structural rather than transitory in nature and deepen over time through mutually reinforcing feedback mechanisms. This implication provides theoretical grounding for the necessity of expanding economic security analyses from univariate approaches toward multivariate and interactional models. This expansion also necessitates the establishment of stronger interdisciplinary bridges between comparative political economy and security studies.

The second significant implication advanced by this study is that economic security cannot be reduced to financial stability. Although financial vulnerabilities frequently serve as triggers of the process, the transformation of these vulnerabilities into a sustained security crisis is directly linked to their effects on social domains such as employment, income, poverty, and inequality. In contexts where social welfare has eroded and living costs have rapidly increased, even technically achieved macroeconomic stability proves insufficient to restore perceptions of economic security. This finding demonstrates that the social dimension of economic security must be placed at the center of analysis and indicates the inadequacy of narrow policy interventions focused solely on financial indicators. This implication also reveals the need to strengthen conceptual linkages between the welfare state literature and economic security research.

The third implication concerns the determinative role that state fiscal and institutional capacity plays in the preservation of economic security. Loss of flexibility in public finance, policy unpredictability, and institutional weakening can produce markedly different outcomes among countries exposed to similar external shocks. While strong institutions and adequate fiscal space enable vulnerabilities to remain manageable, weak institutional structures lead to the rapid erosion of economic security. This implication demonstrates that economic security can neither be conceived independently of market dynamics nor analyzed while disregarding state capacity, thereby positioning the state-market relationship at the center of economic security theory. This position represents a deliberate departure from mainstream approaches that treat state capacity as an exogenous variable.

Finally, this study demonstrates that treating economic security as a continuously reproduced process rather than a static condition yields significant consequences for both theory and policymaking. Economic security can be rendered sustainable not through temporary measures invoked during crisis moments, but through long-term strategies that collectively strengthen production structures, external dependencies, social welfare, and institutional reliability. In this regard, the article repositions economic security as an integral component of

development strategies, governance reforms, and social stability policies, rendering the analytical connections among these domains visible. This processual conceptualization necessitates the transformation of economic security policies from reactive crisis interventions toward proactive resilience building.

8. LIMITATIONS AND FUTURE RESEARCH

The principal limitation of this study is that the framework developed to explain economic security remains at a conceptual and theoretical level. The analysis presented in this article has not been directly tested through empirical datasets, econometric tests, or comparative case studies. This choice reflects a deliberate methodological positioning and prioritizes the provision of a multidimensional analytical map capable of explaining when and under what conditions economic security comes under threat. Nevertheless, this scope delimitation leaves the empirical testing of the proposed framework's validity across different country groups, regime types, or historical periods to future research. Accordingly, the article should be evaluated on the basis of conceptual consistency and theoretical coherence rather than claims of causal relationships. Furthermore, the framework's primary design for economies integrated into the global financial system necessitates separate assessment of its applicability in economies with lower levels of integration.

In terms of future research, this study provides a theoretical starting point for multiple research agendas. First, the developed multidimensional framework can be empirically tested through comparative country studies or regional analyses; in particular, how the relative weights of vulnerability clusters differ across economies at varying levels of development can be examined. Second, in-depth case analyses focusing on selected vulnerability dimensions can illuminate the contextual dynamics and threshold mechanisms of economic security in greater detail. Third, an economic security index or indicator set based on this framework can be developed to lay the groundwork for quantitative and comparative analyses. Finally, interdisciplinary studies examining the relationship of economic security with foreign policy preferences, geopolitical positioning, and multilevel governance processes can extend the theoretical approach presented in this article along both empirical and normative dimensions. In particular, the empirical mapping of interaction patterns and threshold dynamics among the twenty-five vulnerability dimensions constitutes a priority research area for the operationalization of the framework.

9. CONCLUSION

This article has approached economic security in the era of global financial integration as a multidimensional, relational, and dynamic phenomenon that cannot be reduced to singular macroeconomic indicators. The question of when economic security comes under threat has been answered through the simultaneous interactions among financial markets, the real economy, social welfare, and institutional capacity. The developed twenty-five-dimensional analytical framework demonstrates that conceptualizing economic security not as a static equilibrium state but as a cumulative process capable of transforming into a systemic threat at certain thresholds is both possible and analytically necessary. This conceptualization contributes to a paradigm expansion in economic security research from singular-shock-focused analyses toward systemic-interactional perspectives.

One of the fundamental contributions of this study is demonstrating the analytical limits of approaches that identify economic security solely with financial stability. Although financial vulnerabilities frequently serve as triggers of the process, the transformation of these shocks into a sustained security problem occurs through their effects on social domains such as employment, income, poverty, and inequality. For this reason, economic

security is not a policy domain limited to the technical management of macroeconomic indicators but rather a comprehensive analytical framework requiring the joint consideration of social welfare, production continuity, and political legitimacy. This holistic perspective emphasizes that economic security must be a subject not only of economic policy but also of social policy and governance reforms.

The article also draws attention to the determinative role that state fiscal and institutional capacity plays in the preservation of economic security. The flexibility of public finance, the capacity to generate counter-cyclical policies, and institutional predictability can produce markedly different outcomes among countries exposed to similar external shocks. In contexts where institutional structures have weakened and policy signals have become ambiguous, economic vulnerabilities deepen more rapidly and the security problem assumes a permanent character. This finding clearly demonstrates that economic security can neither be approached independently of market dynamics nor understood while disregarding state capacity. This conclusion supports the theoretical necessity of conceptualizing state capacity as an endogenous variable in economic security analyses.

In conclusion, this study demonstrates that approaching economic security as a holistic vulnerability domain is imperative for both theoretical advancement and policy design. Economic security constitutes a long-term strategic domain requiring the simultaneous strengthening of financial stability, social welfare, production structures, and institutional reliability. The developed framework provides an analytical foundation that does not reduce economic security to crisis management in a narrow sense but directly connects it to debates on development, governance, and strategic autonomy. In this respect, the article confers conceptual coherence upon the economic security literature and establishes a theoretically consistent reference point for future empirical tests, comparative case analyses, and indexation initiatives. Thus, the study aims to advance theoretical debate in this field by offering an integrative alternative to the existing literature that addresses economic security in a fragmented manner.

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