

Creation of the Economic Security of State: National Core Competence

Jaroslav GRYZ¹

Aneta NOWAKOWSKA-KRYSTMAN²

Abstract

The debate about the meaning and significance of creation of the economic security of state has different dimensions. The interpretation occupies a central place in critical security studies focusing on theoretical and empirical studies concerning national core competence. However, is not always clear from these studies what crates a certain explanations. The article elaborates earlier formulated proposal to treat the concept of economic security as a part of strategic security management. It aims to make a contribution on certain concepts of economic security through a variety of forms interconnected in security studies and competence of state structures in shaping social environment. The purpose of this article is to determine the theoretical basis for the design of state security as well as their practical, utilitarian application in the activities of state institutions to ensure the safety and progress based on economy.

Keywords: *economic security, national core competence, strategic management.*

JEL classification: E20, E60

1. Introduction

State security can be understood as an area of expertise that not only explains the operation of the mechanisms governing the provision of law, order, stability, human societies, accompanying concepts, methods, forms of action, but also, as the art and science of effective measures to create economic prosperity. Existence of political entity challenges processes, phenomena's, events taking place in it and its proximal and distal environment. Their meaning influence's multi-faceted interpretation the issues of economic security. It creates an understanding of the past, present, and creates an image constitute a reason for thinking about the future.

Adopted for the purposes of this Article the interpretation is referred to the five elements. The first is the deliberate design of measures designed to achieve the

¹ **Jaroslav GRYZ**, Institution Name: National Defence University,
E-mail: j.gryz@aon.edu.pl, Telephone: 48 22 6814 325, Fax: 48 226814200

² **Aneta NOWAKOWSKA-KRYSTMAN**, Institution Name: National Defence
University, E-mail: a.krystman@aon.edu.pl, Telephone: 48 22 6814200,
Fax: 48 22 6814200

desired future state of economic security. The second is the design of future desired phenomena and processes of social, political, economic, governance and forming the basis for further action in this connection on the basis of policy instrument, which is the security strategy. The third is to create a security through the organization of society based on power, broadcasting its deliberate nature activities serving the maintenance of order and stability, social order based on economic activeness. The fourth is to create specific conditions of social reality by the policies of institutions of power, which refers to the present, but inevitably leads to the future, to abstracted vision of security. The fifth, combining all four of the elements in the management of state security, especially in economy context.

Described above elements come together to form an interpretation process for converting and creating ability of the state to ensure its security, a necessary condition for the existence and development in context of economic security. Praxeology interpretation, as a method of constructing and using the theories of management, security and economy understanding, is helpful to understand what security of state relates to. Those theories, as a source of knowledge, are used to design future desired state of things in strategic security and economy management sphere.

2. Design strategy for economic security

Designing security of the state is an interdisciplinary problem, even if it refers to the aspect of economic security of the country. Develop strategies thus achieving the status of the economic security of the country should be based on the knowledge of management, economics, international relations and other important sources of knowledge. Used in these context approach stems from the one proposed in the literature in the field of strategic management known as school resources, skills and competences. This interpretation allows for an understanding of its potential at the disposal of the country in terms of key competences, which determine the possibilities of development of the country. It is assumed, therefore, that strategy is built from the inside out.

The economic security strategy and strategic management in the new approach relays on the concept of selection of priority actions (according to national interest) that create value for stakeholders. In context of strategic security management it is crucial how stakeholders are placed within social and economic systems. These entities directly or indirectly receive benefits or incur costs associated with its operation, in this case the state. With the organization of the (state) thus entail interests, situations expected to meet their needs and aspirations. The interests of stakeholders can be contradictory. Therefore you need to consider their needs and to determine the force hierarchy. Thus, the question arises: who are the national stakeholders and how they are important from the point of view of state strategy in ensuring economic security?

A national stakeholder takes actions including the context of citizens increasing the quality (standard) of life and as well favourable legal solutions in the

case of companies and sustainable development of the country. Taking into consideration the character of the stakeholders their actions relies on interpretation of needs and shape of their interests. Those interests defined as vital national interest appears to be the retention of a competent state economic security that affects all socio-economic zones. Therefore, to properly plan the development of the country are necessary methods of strategic management of its elements, namely: strategic analysis, strategic choices and actions. The new procedure of strategic management divides the process into four dynamically interrelated steps (Figure 1).

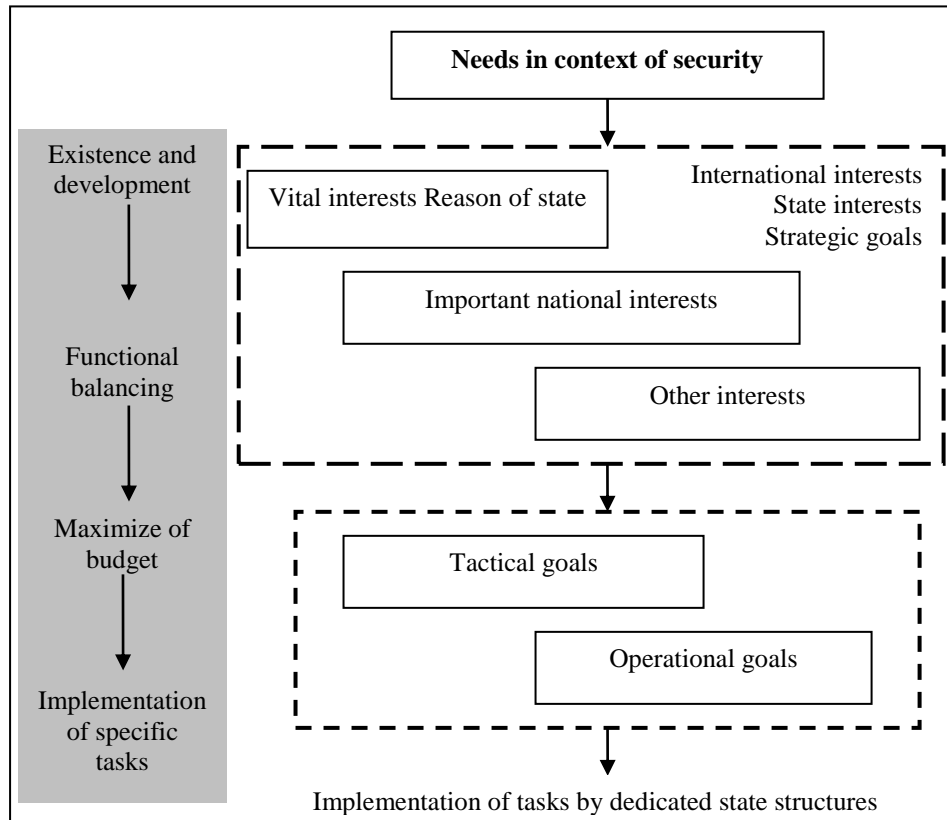


Figure 1 The hierarchical arrangement of security policy goals

Source: A. Nowakowska-Krystman, *Determinaty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, AON, Warszawa 2014, p. 85.

Generally the strategy can thus be reduced to the choice of courses of action in the long term, aimed at building national security in the economic sphere based on its core competencies in line with the school resources, skills and competencies; which requires the conscious use of resources in pursuit of national objectives, which are consequently to deliver value to the stakeholders of the state [1]. What needs to

be indicated here are dependent variables and operands which determine the form of security of a social subject – a state. They include: 1. community activities which basically focus on ensuring its existence – sustainability and survival – as well as social, economic, military, cultural development, and other; 2. concepts of these activities. These activities are based on: 1) values; 2) needs; 3) interests; 4) objectives. It happens, through different levels of social communication coming down to the use shaping social norms which lead to legitimization of the existing state of affairs or its change [2] (Figure 2).

This requires the use of strategy formulation in terms of Grant, which includes five stages: 1) An analysis of the state of the resource base; 2) An assessment of the competence of the state, which are the result of the pooling of resources; 3) An analysis of the potential resources, including the competence to generate benefits and values; 4) The choice of strategy; 5) Expanding and improving the resource base [3].

The specified level of national security requires an analysis of matching resources to goals. In this regard, it is helpful R. S. Kaplan, D. P. Norton, heritage who proposes specific tools assessing the readiness of resources to achieve the objective [4]. As a result the gap show a deficiency referred to the people of the excess of basic resources and resources complex entity. It aspects require a few words of explanation in terms of - how to understand the national key competencies?

3. State core competences

School of resources implies that in our case the state is a collection of resources, skills and learning (competencies) - is thus directed inward. In contrast to other schools of strategic management, resource school assumes that resources are the most important factors. They plays crucial role in the process of strategy development, more important than the situation in the environment. (Resources are understood as factors for an entity body in the creation and implementation of the strategy, which aims to meet the needs of beneficiaries to ensure safety). The entity has significant impact on its own resources. They can be shaped and controlled to a much greater extent than in relation to the environment. It is worth to pay attention to the essence of intangible resources, which is believed to be a particular source of value. The main message of competence theory is the idea of using a unique combination of resources entities in building competitive advantage. What these powers are therefore subject?

In the literature dealing with the sources of competitive advantage can often see a distinction between what the organizations has (which is better than allies or competitors) and what it does (what is better than them). In terms of resource can be distinguished (the entity) competencies that incorporate the resources and skills [5].

In accordance with security strategy the distinction between them and adequate compilation creates sources of success in strategic management. Material resources, physical assets can be seen and counted. Most of them are widely available and of itself does not generate advantage, nor does it provide meet the expectations of state structures. They are located lowest in the hierarchy creates an advantage; characterized by the lowest value, which depends on their skilful use - each organization has for many basic resources, but they are nothing without the skills of their mobilization and operation. Thus, the state organization is not only a portfolio of assets (material resources) and intangible resources, but also skills. Just such an approach suggested R. Grant, in which resources are "ripples" in the

process of creating products – outcome of state security strategy. These resources themselves are not productive, and what enable them to create value are abilities. Skills (abilities) therefore translate as individual and collective qualification to perform certain actions within state structures, the ability to deploy resources to achieve the desired effect.

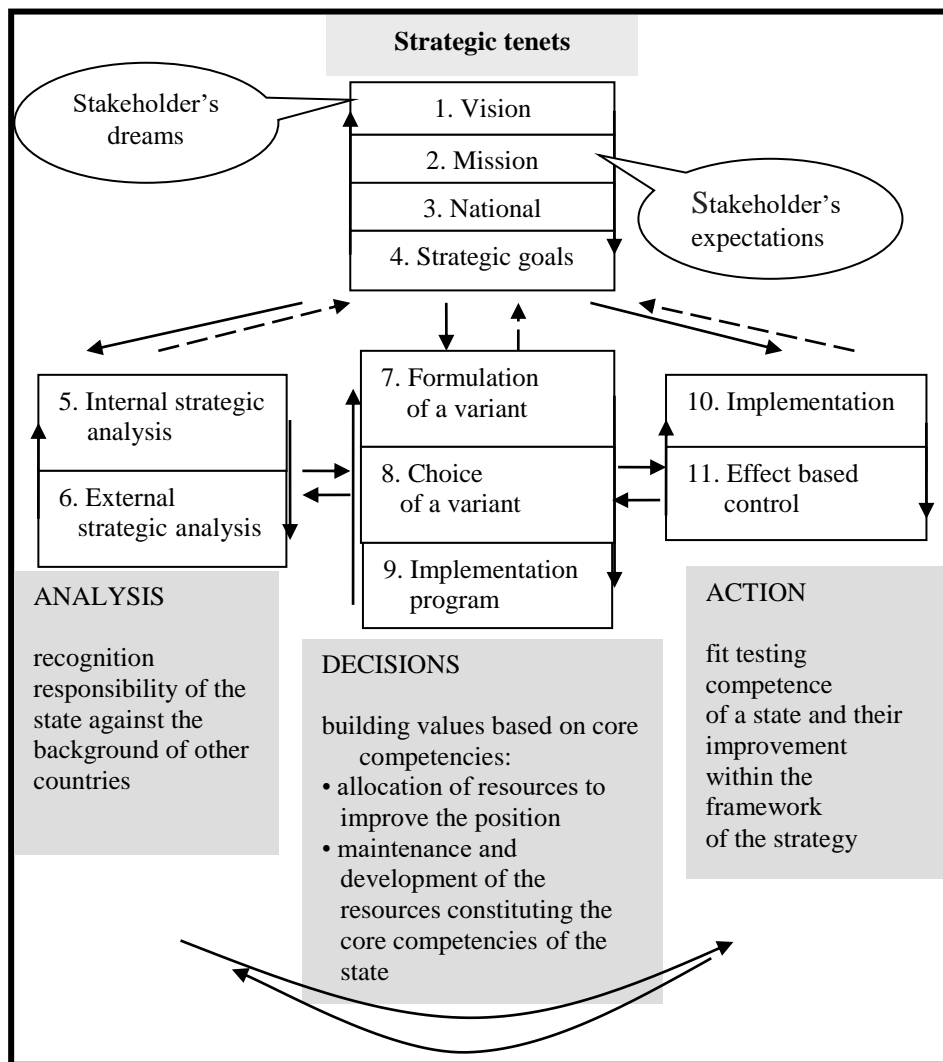


Figure 2. The new procedure of strategic management

Source: A. Nowakowska-Krystman, 2014, p. 9.

Within the state resources are in fact converted to the final product using, inter alia factors such as information management system and incentive system. Skills are derived from specific abilities that result from complex interactions

between resources occurring during the process. In turn, the process is a complete sequence of actions, which occur in a specific order and time, and of appropriate duration that creates value for the state. The process refers to a routine body, the pattern of conduct. The entity should therefore identify their key processes, manage and properly develop those, which gives greatest outcome [6]. Intangible resources are - generally - the invisible entity resources that make up the visible effects, therefore, are: management skills which include the skills of individuals, groups and organization. They include: knowledge, skills, abilities, motivations, concepts, information, position of state and its reputation. Intangible resources are therefore deeply rooted in history, which means that it builds up over the years. They are therefore difficult to analyze and imitate. In addition, these resources usually do not buy, but creates the entity. Intangible resources are: without physical assets unique state.

Resource school also mentions a component of the entity that is responsible. These competencies represent a complex mix of resources and skills that are created by pooling resources and skills appropriate for the state, which must master in order to carry out certain tasks. They are identified with the key success factors. In contrast, resources are not observable, are not subject to valuation within so called strategic culture [7]. Competence can be valued or can raise the value of the resources [8]. In this context, it is worth noting that not all the resources, skills and competencies are just as important - some of them facilitates the acquisition of advantage, some of the blocks. Those that are characterized by specific features have grown into a key competencies or distinctive competencies. For key competencies considered to be mostly a synergistic effect that occurs due to the available resources and capabilities [9]. Due to that resources refer to what the entity has, and skills (abilities) and competence to do what he does.

Create core competences takes place in three stages, with the nature of the learning loop. First - it routinization loop in which the subject learns to use the standard resources, creating a practice, with time becoming a specific skills in an emerging entity. The loop capability with efficient practices involving routine created the ability, which is a generalization and determine how these practices should be used in a given context. Abilities can thus be both improved and created from scratch. Only some of them are critical and strategic pass into the loop. In the process of learning the crucial importance of an environment that is emerging key factors. Learning occurring in the loop strategic renewal process allows organizational skills that are the foundation of long-term success in ensuring economic security of the state [10]. Advantage can be simple, i.e. based on one or more attributes, or complex and built on a larger set of variables. The size of the resulting advantage of having these competencies can be assessed as a small or large [11] (Figure 3).

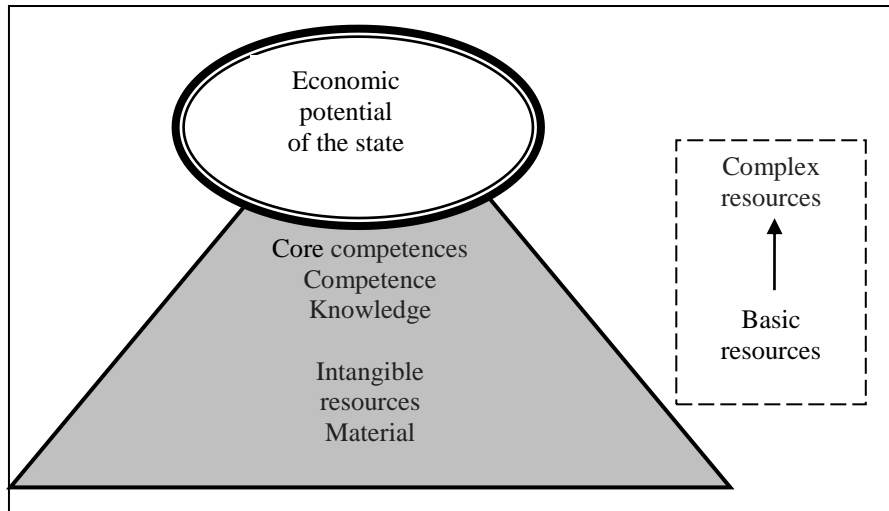


Figure 3. The potential of the state in terms of resources ladders
 Source: A. Nowakowska-Krystman, 2014, p. 51

Developing security in the economic aspect must therefore rely on the discernment of resources in the context of material resources and assets. With particular regard to resource assets which, in accordance with the project MERITUM (MEesuRing Intangibles To Understand and improve innovation Management) is divided into: human capital, organizational / structural, relational capital. In them are believed to be the value in the creation, ensuring proper state of national security. What is in fact caused by the economic crisis of recent years, as the crisis is not of human and organizational capital [12].

Summation

An economic security is an organized action or an integrated set of actions. It can be conducted within the government or outside it. Knowledge of the methods is not enough. The concept of resources based on the achievements of economic science - in particular, drawing on economic thought, and especially of the issues called heterodoxy - and the organization and management theory, explains how an entity operating in a specific environment acquires and maintains its position and value. Even then, it is still a model which does not consider the matters beyond scope of analysis. Thus that particular basic assumptions contained within the following statements should be taken into consideration as a base for future evaluations.

In order to understand the sources of success to ensure economic security must understand the configuration of unique resources and skills within state structures according to different social, political and economic stakeholder interests. The purpose of this type of activities may be easily questioned by indicating the number of determinants which should be taken into consideration

and inability to include them all in the undertaken actions. Although during evaluation processes it is possible to find proper manner and adequate solutions which enables to create economic security including access to basic needs infrastructure, pertaining to health, education, dwelling, information, and social protection.

Attempts to explain what features should have the resources and skills of particular importance to the entity. This means i.e. limiting the impact of uncertainties and risks people face daily while providing a social environment in which people can belong to a range of communities, have a fair opportunity to pursue a chosen occupation and develop their capacities. It is worth to underline that resources and skills directly influences: adequate actual perceived and expected income earned or in the form of social security and other benefits; individual representation and collective representation with access to institutions as well right of any individual or group to be represented by a body that can bargain on their behalf and which is sufficiently large, sufficiently independent and sufficiently competent to do so; labour market when there are ample opportunities for adequate income-earning activities and policies aimed at enhancing this form micro to macro-economic policies; employment and its protection against loss of income-earning work and protection against sudden loss of working places due to business failure with use of innovations tools. Forms of economic security are changeable, depending on the level of social evolution in time, its aspirations, social and political solutions used, and finally the ability to adapt and implement changes: creativity. Due to that it is assumed that between resources and intentions of the entity must be a dynamic tension. These dependent variables, by interacting with each other, define the economic security of the state because they generate phenomena and processes which define the character of social and broader international order. To conclude, economic security management plays crucial role in definition of social economic development and as well wealth.

References

1. Obłój K., 2007, *Strategia organizacji. W poszukiwaniu trwałej przewagi konkurencyjnej*, Warszawa, PWE.
2. Kauffman S., 1995, *At Home in the Universe: The Search for Laws of Self-organization and Complexity*, London: Viking.
3. Głuszek E., 2006, *Formułowanie strategii w nurcie zasobowym – ograniczenia i wyzwania*, [in:] R. R. Krupski (ed.), *Zarządzanie strategiczne. Ujęcie zasobowe*, Wałbrzych, p. 78.
4. Kaplan R.S., Norton D.R., 2004, *The Strategy Map: guide to aligning intangible assets*, “Strategy and Leadership” 32, 5; Kaplan R.S., Norton D.R., 2004, *Czy niematerialne zasoby współgrają ze strategią twojej firmy?*, “Harvard Business Review Polska”.

5. Urbanek G., 2011, *Kompetencje a wartość przedsiębiorstwa. Zasoby niematerialne w nowej gospodarce*, Warszawa, Wolters Kluwer; Czakon W., 2008, *Istota i przejaw kompetencji relacyjnej*, [in:] A. Kaleta, K. Moszkowicz (ed.), *Zarządzanie strategiczne w badaniach teoretycznych i w praktyce*, Wrocław, Prace Naukowe Uniwersytetu Ekonomicznego.
6. Kugler R.L., 2006, *Policy Analysis in National Security Affairs: New Methods for New Era*, National Defence University Press, Washington D.C.
7. Johnson A.I., 1999, *Thinking about Strategic Culture. International Security*.
8. Głuszek E., 2006, *Formułowanie strategii w nurcie zasobowym – ograniczenia i wyzwania*, [in:] R. R. Krupski (ed.), *Zarządzanie strategiczne. Ujęcie zasobowe*, Wałbrzych.
9. Jasińska A., 2007, *Wybrane elementy kapitału intelektualnego w świetle założeń koncepcji zasobowej*, [in:] M. Przybyła (red.), *Zarządzanie – kontekst strategiczny, kulturowy i zasobowy*, Wrocław, Wyd. Akademii Ekonomicznej.
10. Penc-Pietrzak I., 2010, *Planowanie strategiczne w nowoczesnej firmie*, Warszawa, Wolters Kluwer.
11. Jauch L.R., Gluck W.F., 1988, *Business Policy and Strategic Management*, New York, McGraw-Hill.
12. *Kryzys. Przewodnik krytyki politycznej. Przyczyny, analizy prognozy*, 2009, Warszawa, Wydawnictwo Krytyki Politycznej.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.