

Realism and Liberalism in Economic Security

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In recent years, there has been a growing trend toward restricting trade in goods considered “critical materials,” such as China’s export controls on rare earth elements and the United States’ export restrictions on advanced semiconductors. These developments are often discussed in the context of “economic security,” but does the pursuit of economic security necessarily mean restricting free trade?

Although there is no internationally unified definition of economic security, the OECD defines it as “a country’s ability to protect and maintain a stable economy and its growth by enhancing resilience against economic shocks at home and abroad.” Japan’s Ministry of Economy, Trade and Industry (METI) defines it as “the act of ensuring the nation’s peace, safety, and economic prosperity by taking economic measures so that Japan can remain a country capable of maintaining its sovereignty and independence and of making autonomous decisions regarding domestic and foreign policy.”

What these definitions have in common is that they regard the protection of a nation’s stable economic operation from external threats as the primary objective.

Because the term “security” is included, economic security tends to be associated with realism in international relations—a view that sees the international community as an anarchic system where states compete with one another, prioritizing their own survival and security. Indeed, recent rising interest in economic security is largely driven by geopolitical factors such as Russia’s invasion of Ukraine and the intensifying U.S.-China rivalry, suggesting that the concept is grounded in a realist view of international relations.

At the same time, another school of thought in international relations, liberalism, offers a contrasting perspective. Liberalism argues that deepening free trade and economic interdependence among nations can mitigate conflict and lead to a more stable international order. From this standpoint, by strengthening international institutions and developing global rules, states can not only compete but also cooperate. Although this perspective may appear somewhat optimistic today, it has long been one of the central theories for understanding international politics—especially since the end of the Cold War.

Current measures to ensure economic security primarily involve restricting the export of critical technologies and deliberately diversifying supply sources to reduce dependence on specific countries. Since such policies inevitably place limits on free trade based on market mechanisms to protect national economic autonomy and prosperity, they can be seen as rooted in a realist approach.

However, a liberalist perspective is also crucial to achieving economic security. By deepening economic interdependence with other countries, a state can make it more costly for its counterpart to unilaterally sever economic ties, as such actions would inflict significant damage on both sides. Furthermore, maintaining and strengthening the rules-based international trading system that the global community has built over time can help prevent arbitrary trade restrictions and preserve a transparent business environment.

For the time being, realist approaches will likely remain at the core of economic security policies. Yet excessive reliance on realism carries its own risks. As the notion of the “security dilemma” suggests, one nation’s efforts to enhance its security can trigger similar actions by others, leading to greater instability in international relations. If widespread restrictions on free trade were to escalate, the result could be significant economic losses for all nations involved. Japan should therefore aim to maintain and strengthen economic interdependence—starting with trusted partners through rule-making and shared supply chains—and gradually expand this framework. In the long run, it would be desirable to pursue a balanced economic security strategy that integrates both realist and liberal perspectives.

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