



## The Strategic and Geopolitical Analysis of the Impact of Economic Power on Foreign Policy

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### **Abstract**

In the contemporary international system evolving toward multipolarity where economic competition tools intertwine with security policies, analyzing mechanisms through which economic power parameters shape foreign policy capacity holds critical importance. This research examines how gross domestic product, foreign trade volume, foreign exchange reserves, foreign direct investment, and technology production capability transform into diplomatic effectiveness. The study develops an original theoretical framework synthesizing structural realism, interdependence theory, and structural power theory, explaining the multilayered nature of the economic power-foreign policy relationship. This synthesis enables comprehensive understanding of material resources, relational asymmetry, and structural control dimensions. Employing systematic document analysis within qualitative research paradigm, content analysis of twenty-two fundamental sources and comparative examination of five critical cases were conducted. Methodological reliability was confirmed with Cohen's Kappa coefficient of zero point eighty-six. Findings demonstrate that six fundamental mechanisms confirm the hypothesis at an average rate of ninety-four point five percent (ranging from ninety-two to ninety-eight percent): creating economic influence through trade agreements, increasing voting weight in international financial institutions, strengthening alliances through strategic investments, enhancing bargaining power in negotiations, economic dependency limiting autonomy, and vulnerability to sanctions. US-Iran, China Belt-Road, Germany-Russia, Japan-Southeast Asia, and Saudi Arabia cases concretize geopolitical transformation of economic tools across diverse contexts. The study reveals that economic power stems from structural control capacity rather than material resources, economic dependency systematically limits strategic autonomy, and technological transformation redefines traditional parameters. Digital economy, artificial intelligence, and climate change necessitate updating the concept of economic power. The research transcends fragmented approaches in literature by offering an integrated analytical model and proposing trade diversification, technological independence, strategic reserve strengthening, and regional integration deepening strategies for preserving economic autonomy. Findings are supported by short, medium, and long-term policy recommendations, providing applicable tools for states to minimize economic vulnerabilities.

**Keywords:** *Economic Power; Foreign Policy Capacity; Economic Dependency; Structural Power Theory; Interdependence*

## 1. Introduction

In the first quarter of the twenty-first century, the international system is undergoing a fundamental transformation from a unipolar hegemonic order toward a multipolar balance of power. This structural change is redefining not only the balance of military power but also the mechanisms through which economic instruments are transformed into diplomatic effectiveness (Farrell & Newman, 2023). Today, economic sanctions, trade agreements, foreign direct investment, and technology transfer restrictions are being employed with an efficacy equivalent to or surpassing that of traditional military instruments. In this process of structural transformation, the causal relationship between the economic power elements possessed by states and their foreign policy capacities has become one of the central problematiques of the discipline of international relations. Economic parameters such as gross domestic product, foreign trade volume, technology production capacity, foreign exchange reserves, and foreign direct investment potential function as fundamental variables that determine not only states' material power resources but also their diplomatic maneuverability, strategic preferences, and positions within the international system (Waltz, 1979; Gilpin, 1981). Particularly in the contemporary era, where globalization processes have deepened and economic interdependence relations have intensified, the ways in which economic instruments serve geopolitical objectives have become diversified and complexified (Aggarwal & Cheung, 2025; Strange, 2015). The United States' structural position in the global dollar system, China's expanding sphere of influence through technology and infrastructure investments, the European Union's normative economic power, and the energy geopolitics of oil-exporting countries demonstrate the economic foundations of contemporary foreign policy (Cohen, 2019; Hillman, 2021; Bradford, 2020; Yergin, 2020). The comprehensive economic sanctions applied by the Western alliance in the Russia-Ukraine conflict, China's economic influence network established through the Belt and Road Initiative, United States technology export controls, and the European Union's energy dependency problem constitute current manifestations of the decisive impact of economic power on foreign policy (Demarais, 2022; Miller, 2022; Schatz & Silvey, 2024; Mišík & Figulová, 2024; Demarais, 2022; Miller, 2022).

The relationship between economic power and foreign policy operates through complex feedback loops and multilayered interaction mechanisms rather than a simple cause-effect chain. On one hand, strong economic foundations provide states with bargaining advantages in international negotiations, while on the other hand, economic vulnerabilities and dependency relations create structural constraints that limit foreign policy autonomy (Keohane and Nye, 2011; Baldwin, 2016). This dual dynamic reveals a structural reality that creates both opportunities and constraints. Economic power functions not only through direct coercive capacity but also through indirect influence and attractiveness. Germany's dilemma created by its dependence on Russian natural gas in the Nord Stream projects, Japan's dependency on China for rare earth elements and its impact on security policies, and the regional influence capacity gained by Gulf oil-exporting countries through energy revenues are concrete examples of this complex network of relationships. These examples demonstrate that economic power is not merely a resource but a multidimensional phenomenon with transformation and impact capacity. Particularly in the post-2022 period, Russia's war capacity has been limited by sanctions applied to Moscow, Iran's nuclear negotiation process has been affected by the decline in oil revenues, and Taiwan's monopoly position in semiconductor production has increased its geopolitical importance, confirming the central role of economic factors in contemporary foreign policy. In this context, the systematic analysis of the mechanisms through which economic parameters shape foreign policy behavior is of critical importance both in terms of providing conceptual clarity at the theoretical level and developing policy recommendations at the practical level.

In today's international system, economic power is increasingly becoming an effective diplomatic instrument alongside traditional military power tools. Technological transformation, the rise of the digital economy, and the restructuring of global value chains are expanding the modes of use and spheres of influence of economic power (Aggarwal & Cheung, 2025; Mulder, 2022; Bradford, 2023; Demarais,

2022; Farrell & Newman, 2023). Particularly the competition in semiconductor technologies, artificial intelligence systems, and renewable energy technologies demonstrates that economic superiority has become determinative for geopolitical hegemony. China's control of forty percent of global production in renewable energy technologies, the United States' design dominance in advanced technology semiconductors, and the European Union's norm-setting role in green technology standards exemplify the new era of economic power dynamics. In this context, the systematic understanding of the effects of economic power parameters on foreign policy capacity constitutes an urgent necessity both for academic literature and policy-making processes.

When examining the existing literature, it is observed that the relationship between economic power and foreign policy is addressed through fragmented and one-dimensional approaches. While the structural realist tradition evaluates economic resources as material capacities convertible to military power (Mearsheimer, 2014), the liberal institutional approach focuses on the cooperation-promoting effect of interdependence (Moravcsik, 1997). Critical approaches, while emphasizing the structural injustices of hegemonic economic orders, fail to adequately explain the mechanisms through which these orders are maintained (Cox & Sinclair, 1996). However, both approaches fail to sufficiently explain the specific mechanisms through which economic power shapes foreign policy, the operational processes of these mechanisms, and the power hierarchies created by asymmetric dependency relations. Particularly, there is a need for comprehensive theoretical frameworks regarding the effectiveness conditions of economic sanctions, the impact of trade dependency on security preferences, the role of technology transfer in alliance relations, and the diplomatic consequences of financial power projection (Hirschman, 2018; Kindleberger, 2013). Three fundamental gaps stand out in the literature: First, systematic studies evaluating the comparative effectiveness of different forms of economic power (trade, finance, technology, energy) are lacking. Second, contextual factors determining under what conditions economic instruments succeed have not been sufficiently analyzed. Third, the long-term sustainability of economic power projection and its blowback effects have been neglected. This theoretical gap also points to a methodological deficiency. There is no consistent approach in the literature regarding the operational definitions of economic power parameters, measurement methods, and systematic categorization of impact mechanisms. While some studies take trade volume as the basic criterion (Baldwin, 2016), others prioritize financial flows or technological capacity indicators (Baldwin, 2016). This methodological diversity makes comparison of findings difficult and hinders cumulative knowledge production. Moreover, as existing empirical studies generally rely on single case or short-term analyses, they remain insufficient in producing generalizable results. This study aims to fill this theoretical gap and systematically reveal how the interaction between economic power and foreign policy operates through six fundamental mechanisms.

The main purpose of this study is to systematically analyze the mechanisms through which economic power parameters shape states' foreign policy capacities and to explain the impact of economic dependency relations on foreign policy autonomy within a comprehensive theoretical framework. The study is structured around three specific objectives: First, to categorize the processes through which economic power is transformed into foreign policy through six fundamental mechanisms; second, to reveal the impact of structural constraints created by economic dependency on foreign policy behavior through empirical examples; third, to develop an integrated analytical model that synthesizes structural realism, interdependence theory, and structural power theory. These objectives determine the scope of the study in terms of theoretical depth, empirical richness, and methodological rigor. The research aims not only to offer a theoretical contribution but also to develop applicable analytical tools for policymakers. The importance of the study manifests itself in three dimensions: At the theoretical level, it presents an original conceptual framework that integrates fragmented literature; at the empirical level, it includes comparative analysis of concrete cases; and at the practical level, it develops applicable strategic recommendations for policymakers. Particularly in today's conditions where global economic competition has intensified, trade wars have increased, and economic sanctions have become widespread, the findings of this study will both contribute to academic debates and provide policy tools for states to use their

economic power resources more effectively. Moreover, the integrated theoretical approach of the study, by synthesizing the strengths of different theoretical traditions, enables the comprehension of the multidimensional nature of the economic power-foreign policy relationship. This synthesis both offers an original contribution to theoretical debates and establishes a solid analytical foundation for empirical research. The original value of the research lies not merely in presenting new data but in restructuring existing knowledge within a new analytical framework.

The main problematique of this research is formulated as follows: "Through which specific mechanisms, to what extent, and under what conditions do economic power parameters shape states' foreign policy capacities; through which channels do economic dependency relations limit foreign policy autonomy?" This problematique encompasses three fundamental dimensions: First, the identification of the mechanisms through which economic power is transformed into foreign policy; second, the determination of the degree of effectiveness of this transformation; third, the systematic analysis of the constraints created by economic dependency. This three-dimensional structure ensures that the research is descriptive, explanatory, and evaluative in nature. The problematique also reflects the dual nature of economic power: both empowering and constraining effects. The structuring of the problematique in this way allows for both the explanation of causal mechanisms and the determination of conditional factors. This formulation of the research problematique also determines the boundaries of the study. The study focuses on the relationship between the economic capacities of state-level actors and their foreign policy behaviors, while addressing the impacts of non-state actors, cultural factors, or leadership characteristics at a secondary level. This methodological choice has been made consciously to increase the depth of analysis and ensure conceptual clarity. The problematique, by focusing on macro-level structural relations, leaves micro-level decision-making processes in the background.

The main hypothesis tested in this study is as follows: "Economic power parameters shape states' foreign policy capacities primarily through three fundamental mechanisms: (1) Economic influence networks created through trade agreements and investment relations provide the capacity to influence the foreign policy preferences of target states; (2) Voting weight in international financial institutions and effectiveness in decision-making processes enable normative power projection in global governance mechanisms; (3) Investments in strategic sectors and technology transfer consolidate long-term alliance relations. However, economic dependency relations limit foreign policy autonomy through channels of critical goods imports, energy supply, and financing needs, leading to strategic concessions under the threat of sanctions." This hypothesis, by incorporating both positive impact mechanisms and negative constraining factors, reflects the bidirectional nature of the economic power-foreign policy relationship. The structure of the hypothesis contains testable sub-propositions, and each proposition is verifiable through empirical observations. This hypothesis contains testable propositions and presents a framework suitable for empirical analysis. This formulation of the hypothesis includes six specific sub-mechanisms: trade diplomacy, financial power projection, investment diplomacy, bargaining power enhancement, dependency management, and sanctions resistance. Each mechanism has been structured in a theoretically grounded and testable manner with concrete case examples. This systematic approach strengthens both the internal consistency and external validity of the research. The hypothesis also enables evaluation of the relative importance and conditional effectiveness of the mechanisms.

The theoretical framework of the study is based on the synthesis of three theoretical approaches. First, the assumptions of structural realism regarding power distribution and system structure (Waltz, 1979; Organski, 1958) are used to explain the role of economic capacity in determining position in the international hierarchy. Second, interdependence theory's sensitivity-vulnerability distinction and asymmetric dependency concepts (Keohane and Nye, 2011) are operationalized to analyze the impact of economic relations on power dynamics. Third, structural power theory's framework regarding control capacity over production, finance, security, and knowledge structures (Strange, 2015; Cox & Sinclair, 1996) is used to comprehend the multidimensional nature of economic power. This triple theoretical synthesis provides a comprehensive analytical toolkit capable of explaining the complexity of the

economic power-foreign policy relationship. The synthesis uses the explanatory power of each in a complementary manner rather than reconciling different ontological and epistemological traditions. This theoretical synthesis is not an eclectic combination but an original approach that systematically integrates the explanatory powers of different theoretical traditions. While structural realism emphasizes the determinacy of power distribution at the systemic level, interdependence theory explains the opportunities and constraints created by asymmetric dependencies at the relational level. Structural power theory, on the other hand, demonstrates how control of economic systems at the structural level produces political outcomes. This three-level analytical framework enables us to comprehensively grasp the material, relational, and structural dimensions of economic power. The original value of the synthesis lies in its capacity to analyze the full spectrum of the economic power phenomenon by transcending the explanatory limitations of each theory.

Methodologically, the study adopts the systematic document analysis method within the qualitative research paradigm. Research data are obtained from three main sources: First, fundamental academic works in the field of international relations and political economy; second, official documents and statistics regarding states' economic and foreign policy behaviors; third, selected case studies for comparative analysis of concrete cases. Five criteria were applied in document selection: scientific validity, theoretical depth, methodological rigor, temporal scope, and geographical diversity. Using content analysis technique (Baltacı, 2019; Metin & Ünal, 2022), data obtained from texts were categorized through open coding, axial coding, and selective coding stages to construct the theoretical model. The grounding of the methodological approach in the qualitative paradigm enables in-depth understanding of the complex causality mechanisms of the economic power-foreign policy relationship. Qualitative methods offer the capacity to analyze contextual factors, historical processes, and strategic decision-making dynamics that quantitative data cannot capture. Moreover, the comparative case analysis method enables the testing of theoretical propositions in different contexts and the evaluation of the generalizability of findings. Two hundred thirty-eight initial codes obtained from content analysis of twenty-two fundamental sources were reduced to six fundamental mechanisms through systematic coding process, constructing the conceptual model. This methodological rigor strengthens the reliability and validity of the findings. United States sanctions on Iran, China's infrastructure investments in Africa, Germany's energy relations with Russia, Japan's development aid in Southeast Asia, and Saudi Arabia's oil diplomacy (Bajoghli, Nasr, Salehi-Isfahani & Vaez, 2024; Wang, 2024; Ozawa, 2023; Ciorciari & Tsutsui, 2021; AlMuhanna, 2022) are among the main cases selected for comparative analysis.

The scope of the research has been limited to the relationship between the economic capacities of state-level actors and their foreign policy behaviors. The study focuses on six fundamental mechanisms: influence creation through trade diplomacy, power projection in international financial institutions, alliance building through strategic investments, bargaining power enhancement through economic instruments, constraints created by dependency relations, and the foreign policy impact of sanctions vulnerability. Limitations of the research include addressing the role of non-state actors at a secondary level, excluding cultural and ideological factors from analysis, and not systematically examining leader-level decision-making processes. These limitations clarify the focus of the research and enable in-depth analysis. The state-centric approach provides the analytical clarity necessary to grasp the fundamental dynamics of the economic power-foreign policy relationship. However, it is recommended that future research be expanded to include the roles of multinational corporations, international organizations, and civil society actors. Moreover, as the temporal scope of the study is limited to the post-Cold War period, the historical generalizability of the findings should be carefully evaluated. Nevertheless, these limitations clarify the focus of the study and enable in-depth analysis.

This research has three fundamental contributions to the literature. First, an original analytical framework is developed that systematizes the economic power-foreign policy relationship through six specific mechanisms. Second, empirical findings are presented showing how the impact of economic dependency on foreign policy autonomy operates through different channels. Third, an integrated

theoretical model is proposed that synthesizes structural realism, interdependence theory, and structural power theory. Practical contributions of the study include developing strategic recommendations for policymakers regarding effective use of economic power resources and management of dependency risks. The original value of the research manifests itself at theoretical, methodological, and empirical levels. At the theoretical level, the integrated approach synthesizing different theoretical traditions enables us to comprehend the multidimensional nature of the economic power phenomenon. At the methodological level, the joint use of systematic document analysis and comparative case study provides the opportunity for both in-depth understanding and producing generalizable findings. At the empirical level, findings obtained from five different cases test the validity of theoretical propositions in different contexts. The study, by transcending fragmented approaches in the literature, presents an integrated picture of the economic power-foreign policy relationship. The findings, with an average verification rate of ninety-four point five percent, demonstrate that the hypothesis has strong empirical support. Research findings provide policy tools for states to optimize their processes of transforming economic capacities into foreign policy objectives and minimizing economic vulnerabilities.

## **2. Literature Review**

The literature on how economic power variables shape states' foreign policy capacities possesses interdisciplinary richness yet suffers from a theoretical integration problem. From the founding of the international relations discipline to the present day, the processes through which economic capacity is transformed into diplomatic effectiveness have been addressed by different theoretical traditions, yet a comprehensive analytical framework has not been developed. In Morgenthau's (2006) classical realist approach, economic resources are evaluated as the material basis of national power, while the mechanisms through which these resources are transformed into foreign policy instruments have not been sufficiently explained. In particular, the distinction between the processes of transforming economic power into military capacity and the mechanisms of creating diplomatic influence remains ambiguous. While Keohane and Nye's (2011) interdependence theory emphasizes the peaceful effects of economic integration, it has relegated the possibility of asymmetric dependence relationships creating power hierarchies to a secondary position. The fundamental limitation of this approach lies in the assumption that economic interdependence is constraining for both parties; however, empirical evidence demonstrates that in asymmetric relationships, the powerful party can transform dependence into strategic advantage.

A general assessment of the literature reveals that the concept of economic power is addressed in three fundamental dimensions: the material resources dimension (gross domestic product, trade volume, foreign exchange reserves), the structural control dimension (financial mechanisms, technology standards, production chains), and the relational power dimension (dependence asymmetries, bargaining advantages, alliance-building capacity). However, the question of how these three dimensions interact and which becomes determinative under what conditions has not been systematically answered in the literature. Existing studies generally focus on a single dimension, proving insufficient in capturing the multidimensional and dynamic nature of economic power.

Historically, the development of the literature can be examined in four main periods. The first period (1945-1970) was dominated by classical power politics approaches. Hirschman's (2018) analysis of national power and foreign trade structure is the first comprehensive study to systematically reveal the political consequences of economic dependence. The author demonstrated how asymmetry in trade relations limits the foreign policy autonomy of smaller states, defining the mechanisms through which economic influence is transformed into diplomatic pressure (Hirschman, 2018). The fundamental contribution of Hirschman's work is that it operationalizes economic vulnerability by measuring the costs of changing trade orientation. However, this analysis does not sufficiently consider states' strategic adaptation capacities and alternative market searches. Kindleberger (2013) is another important figure who left his mark on this period; he advanced the thesis that economic hegemony is necessary for the

stability of the international system, yet discussed how the economic costs of hegemonic power become unsustainable in the long term. Kindleberger's (2013) hegemonic stability theory, while emphasizing the necessity of leadership for the production of global public goods, also reveals the contradiction that leadership costs erode the hegemon's relative power.

The fundamental limitation of first-period literature is that it views economic power essentially as an instrument in interstate relations and neglects the role of domestic political processes, societal actors, and institutional structures. Studies from this period are based on the assumption that economic resources will automatically create political influence, without sufficiently problematizing the political, institutional, and societal conditions of this transformation. Moreover, the strategies of small and medium-sized states in using economic instruments have not received adequate attention in this literature.

The second period (1970-1990) witnessed the rise of the interdependence paradigm. Keohane's (1984) neoliberal institutional approach argued that international regimes facilitate economic cooperation and soften the limits of power politics. Keohane's (1984) main argument is that international institutions strengthen states' cooperation tendencies by reducing information asymmetry, lowering transaction costs, and highlighting mutual gain opportunities. However, this approach has not adequately explained how power asymmetries in economic relations are reproduced through institutional mechanisms. In particular, voting weight differences in international financial institutions, asymmetries in technology transfer mechanisms, and the structural preference of trade regimes for developed countries' interests challenge the liberal institutional approach's emphasis on cooperation. Gilpin's (1981) hegemonic stability theory, while emphasizing that economic leadership is necessary for systemic order, demonstrated that hegemon's struggle to maintain their economic capacities can lead to conflicts. The original contribution of Gilpin's (1981) power transition analysis is its prediction that decline in the hegemon's relative power will lead to attempts to restructure the system.

Second-period literature achieved significant theoretical progress by drawing attention to the complex effects of economic interdependence. However, studies from this period did not adequately grasp the dynamic nature of dependence relationships, particularly failing to systematically analyze how technological change and globalization transform dependence structures. Moreover, this literature predominantly reflects a Western-centric perspective, relegating developing countries' economic power projection strategies to a secondary position. Although Keohane and Nye's (2011) sensitivity-vulnerability distinction provides an important conceptual tool, methodological consensus has not been achieved regarding the operationalization and empirical measurement of these concepts.

The third period (1990-2010) analyzed new forms of economic power in the post-Cold War unipolar system. Strange's (2015) structural power theory revealed that economic control operates through four basic structures: production structure, finance structure, security structure, and knowledge structure. This conceptualization demonstrated that economic power derives not only from material resources but also from structural position (Strange, 2015). The original value of Strange's structural power conceptualization is that it makes visible the invisible yet profound effect of the capacity to determine the rules of economic systems, create standards, and shape other actors' options. In particular, control over financial structure, the hegemonic role of the dollar system, and the political use of international credit mechanisms are at the center of Strange's (2015) analysis. Cox and Sinclair's (1996) critical approach explained how hegemonic structures are reproduced through historical blocs by emphasizing the interaction of economic structures with social forces. Cox's (1996) neo-Gramscian perspective emphasizes that economic hegemony is based not only on coercion but on consent production, and that the complex combination of material capabilities, institutions, and ideational structures sustains hegemonic order.

The fundamental contribution of third-period literature is that it addresses economic power not only at the level of interstate relations but in the context of structural dynamics of the global capitalist system. However, this literature has remained limited in operationalizing and empirically testing the

concept of structural power. While Strange's (2015) four-structure analysis offers a rich framework for understanding the complex mechanisms of economic power, the hierarchy, interaction, and transformation dynamics among these structures have not been sufficiently explained. Moreover, studies from this period tend to overlook states' capacity to shape and direct economic globalization while assuming that globalization erodes state capacities.

The fourth period (2010-present) encompasses a process in which economic competition intensifies in the multipolar system and economic weaponization becomes widespread. Demarais's (2022) sanctions study analyzed the backfire effects of economic pressure, demonstrating that target states develop adaptation strategies. According to Demarais's (2022) findings, while economic sanctions can be effective in the short term, their effectiveness decreases in the long term due to target countries establishing alternative trade networks, developing import substitution strategies, and forming alliances. Miller's (2022) technology wars analysis revealed the critical role of control over semiconductor production in geopolitical competition. Miller's (2022) study demonstrates that technological superiority has become determinative not only for economic competition but also for military superiority and strategic autonomy. Farrell and Newman's (2023) network power concept showed that control over global economic infrastructures creates new hegemonic instruments. Farrell and Newman's (2023) "weaponized interdependence" conceptualization systematically reveals that states controlling central positions in global networks can use this structural advantage as an instrument of coercive diplomacy.

Fourth-period literature analyzes the placement of economic instruments at the center of geopolitical competition, new power asymmetries created by the digital economy, and the intensification of the technological dominance struggle. The original contribution of this literature is demonstrating that economic interdependence can be used not only for cooperation but also for coercion and pressure. However, a significant limitation of studies from this period is their difficulty in capturing the dynamics of rapid technological and economic transformation. The geopolitical consequences of emerging areas such as artificial intelligence, quantum computing, green technologies, and cryptocurrencies have not yet been sufficiently theorized. Moreover, how climate change will reshape economic power balances awaits systematic analysis in the literature.

Six fundamental approaches stand out in the literature regarding the mechanisms through which economic power shapes foreign policy. First, the trade diplomacy literature examines the possibility that bilateral and multilateral trade agreements create political influence. Baldwin's (2016) economic statecraft theory demonstrated that commercial instruments can serve as alternatives to military instruments, yet their effectiveness depends on contextual factors (Baldwin, 2016). In Baldwin's conceptualization, economic statecraft includes the strategic balance between positive incentives (trade privileges, investment opportunities, economic aid) and negative sanctions (embargo, boycott, asset freezing). However, this literature has not sufficiently systematized the conditions determining the effectiveness of economic instruments, nor developed a consistent theoretical model regarding which instruments work in which situations. Second, the financial power literature analyzes the foreign policy impact of monetary policy instruments and voting weight in international financial institutions (Aggarwal & Cheung, 2025).

The fundamental problematic of financial power literature is how monetary and credit mechanisms operate as instruments of political control. The dollar hegemony of the United States, the role of the European Central Bank in the eurozone, and China's efforts to internationalize the renminbi (RMB: People's Currency) are empirical focal points of this literature. However, the rise of digital currencies, the development of central bank digital currencies, and the expansion of the cryptocurrency ecosystem have the potential to fundamentally transform financial power dynamics. Current literature has not yet sufficiently theorized these transformations.

Third, the investment diplomacy literature examines the possibility that foreign direct investments and infrastructure projects create long-term alliance relationships. Studies on China's Belt and Road Initiative demonstrate how economic investments are integrated with geopolitical objectives. The

prominent debate in this literature is the question of whether infrastructure investments serve as instruments of economic development or debt trap diplomacy. The Hambantota Port, Piraeus Port, and various railway projects constitute concrete examples of this debate. Fourth, the technology dependence literature analyzes the capacity of control over critical technologies to create power asymmetry (Miller, 2022). Miller's (2022) semiconductor study systematically demonstrates the use of technological monopoly position as a geopolitical bargaining chip. Taiwan's monopoly position in advanced semiconductor production, U.S. dominance in chip design, and China's superiority in rare earth elements exemplify different forms of technology dependence. Fifth, the energy security literature examines how access to energy resources affects foreign policy autonomy. Russia's use of natural gas exports as a political instrument, Gulf countries' oil diplomacy, and new dependence relationships that will be created by the renewable energy transition constitute the main topics of this literature. Sixth, the sanctions literature evaluates the effectiveness of economic pressure as an instrument of coercive diplomacy (Demarais, 2022). Demarais's (2022) study shows that the rate of sanctions changing target country behavior is around thirty percent, yet sanctioning countries also face economic and political costs.

While each of these six approaches illuminates a different dimension of economic power, a comprehensive theoretical framework integrating them has not been developed. Questions regarding how trade, finance, investment, technology, energy, and sanctions mechanisms interact, which becomes determinative under what conditions, and how these mechanisms strengthen or weaken each other await systematic answers in the literature. Moreover, most of these approaches focus on great powers' use of economic instruments, insufficiently examining small and medium-sized states' economic diplomacy strategies.

Methodologically, the literature divides into three fundamental approaches. Quantitative studies test the effect of variables such as trade volume, gross domestic product, and foreign direct investment on foreign policy behavior using statistical methods (Mello & Ostermann, 2022; Garip, 2023: 2-15; Baltacı, 2019). These studies generally analyze long-term trends using large datasets but remain limited in explaining causal mechanisms. The endogeneity problem in particular—the fact that economic relationships can be both cause and effect—challenges the validity of quantitative studies. Qualitative studies explain the complex causality mechanisms of the economic power-foreign policy relationship through case analyses and comparative methods. As Baltacı (2019) emphasizes, qualitative methods enable in-depth understanding of social phenomena. The strength of qualitative studies lies in their ability to analyze contextual factors, historical processes, and actor strategies richly. However, the generalizability problem of these studies—the debate over the extent to which findings can be applied to different contexts—is at the center of methodological critiques. Mixed-method studies aim to combine the generalizability of quantitative data with the depth of qualitative analyses. Although the potential value of the mixed-method approach (Tunalı, Gözü & Özen, 2016: 107-111) is significant, methodological consensus remains limited regarding how to integrate quantitative and qualitative components and which method to use at what stage.

A general assessment of methodological literature demonstrates that significant challenges exist in the empirical analysis of the economic power-foreign policy relationship. First, the problem of operationalizing the concept of economic power persists. While standard indicators such as gross domestic product and trade volume measure economic size, the measurement of more complex dimensions such as structural power, network position, and technological dominance is controversial. Second, measuring foreign policy capacity is also problematic. Objective measurement of outcomes such as diplomatic success, expansion of influence sphere, and achievement of strategic objectives is difficult. Third, determining the direction of causality is challenging: does economic power create foreign policy capacity, or does successful foreign policy facilitate accumulation of economic power? Fourth, the time dimension is critical: the effects of economic instruments generally emerge in the long term, and short-term analyses can be misleading.

Three fundamental gaps identified in the literature are: First, systematic categorization of the mechanisms through which economic power is transformed into foreign policy is lacking. Existing studies generally focus on a single mechanism (e.g., sanctions or trade), neglecting inter-mechanism interaction. Second, comparative analysis of different dimensions of economic dependence (trade, finance, technology, energy) is insufficient. Questions regarding which type of dependence creates stronger political effects and how different dependence types strengthen or compensate for each other await systematic answers. Third, resistance and adaptation strategies developed against economic power projection have not been adequately examined. Target states' responses to economic pressure, their capacity to develop alternative strategies, and their abilities to form alliances are secondary in the literature. Fourth, new forms of economic competition in the multipolar system have not been theoretically conceptualized. Current dynamics such as U.S.-China economic competition, formation of regional economic blocs, and development of alternative payment systems challenge the explanatory capacity of existing theoretical frameworks.

Fifth, new power dynamics created by the digital economy have not yet been systematically theorized. The geopolitical consequences of elements such as data dominance, artificial intelligence capacity, cybersecurity capabilities, and digital infrastructure control are not receiving adequate attention in the literature. Sixth, how climate change will transform economic power balances, the geopolitical significance of leadership in green technologies, and the political effects of carbon border taxes are developing research areas. Seventh, how global crises such as pandemics change economic dependence perceptions and policies, and the strategic importance of supply chain resilience await systematic analysis.

In terms of theoretical debates, the literature is structured around three fundamental axes of tension. The first axis is the debate over whether economic power is material or structural. While Waltz (1979) evaluates economic resources as elements of material power, Strange (2015) emphasizes the importance of structural control capacity. This debate has critically practical consequences: while the material power understanding emphasizes economic size, the structural power perspective highlights the capacity to determine the rules of global systems. As China's economic size continuously increases while U.S. structural power (dollar system, technology standards, international institutions) persists, this situation demonstrates the validity of both perspectives. The second axis is the debate over whether economic relationships create cooperation or conflict. While liberal theorists argue that interdependence encourages peace, realists advance that economic competition intensifies power struggles. Empirical evidence in this debate presents a complex picture: while European integration exemplifies the peaceful effect of interdependence, U.S.-China economic competition demonstrates that economic integration does not prevent conflict. The third axis is the debate over whether economic power is autonomous or dependent on other power elements. While one view argues that economic power depends on military power (economic interests cannot be protected without military power), another view advances that economic power is autonomous and even determinative (economic power is transformed into military power).

Beyond these three axes of tension, new areas of debate are emerging in the literature. First is the debate over the reversal of economic globalization. Trade wars, post-pandemic supply chain restructuring, strategic autonomy searches, and the rise of economic nationalism strengthen arguments that globalization has stopped or reversed. However, data flows, digital trade, and financial integration continue. This complex picture requires redefinition of the concept of globalization. Second is the debate over the ethical dimension of economic statecraft. Value questions such as the humanitarian costs of economic sanctions, effects of trade restrictions on poor countries, and the legitimacy of economic coercion are receiving increasing attention in the literature. Third is the debate over new indicators in measuring economic power. Beyond traditional gross domestic product measurement, the need to develop new criteria such as digital economy capacity, green technology leadership, and innovation ecosystem strength is emerging.

When empirical studies are examined, it is observed that the success rate of economic sanctions is low, yet they can be effective under certain conditions. Hufbauer et al.'s (2007) comprehensive sanctions dataset analysis shows that sanctions' success in changing target behavior averages thirty-three percent. Successful sanctions generally have the following characteristics: multilateral and comprehensive implementation, target country's economic vulnerability, limited and clear objectives, and determination of sanctioning countries. It has been determined that trade wars harm both parties, yet asymmetric effects work in favor of the stronger party. The U.S.-China trade war demonstrated that both countries faced economic costs, yet China's more vulnerable sectors (agriculture, low-technology manufacturing) were more affected (Zeng & Liang, 2022). It has been observed that economic integration reduces conflict risk, yet dependence relationships create new security vulnerabilities. While the European Union experience confirms the peace-promoting effect of economic integration, Germany's dependence on Russian energy demonstrated that economic integration can create strategic vulnerability. It has been determined that technology transfer restrictions are effective in the short term, yet lead to the development of alternative innovation capacities in the long term. The restrictions Japan faced in semiconductor technologies in the 1980s accelerated the country's development of domestic capacity (Miller, 2022).

A general assessment of empirical literature demonstrates that the effectiveness of economic instruments is highly context-dependent. The same economic instrument can produce very different results under different conditions. Therefore, avoiding simple generalizations and systematically defining the conditions determining effectiveness is of critical importance. It is observed that these conditional factors have not been sufficiently theorized in the literature. Studies systematically analyzing the effects of factors such as the target country's political system, economic structure, societal solidarity, alternative options, and international supporters are limited.

In terms of regional differences, the literature emphasizes the unique nature of European integration, the complexity of economic dependence networks in Asia, the importance of resource diplomacy in Africa, and the historical roots of economic dependence in Latin America. European integration is a unique example of how economic unification feeds political unification and how member states consent to sovereignty sharing. In Asia, while economic integration deepens at the trade and investment level, political and security integration remains limited; this situation demonstrates different forms of economic interdependence. In the Middle East, the geopolitical impact of energy resources and the strategic importance of energy and transportation corridors in Eurasia stand out. The Middle East's hosting of forty percent of world oil reserves and twenty percent of natural gas reserves structurally determines the region's geopolitical importance (Hafner, Raimondi & Bonometti, 2023). In Eurasia, China's Belt and Road Initiative, Russia's energy corridors, and the European Union's connectivity strategy are competing projects for regional economic integration.

The lack of regional comparative analysis is a significant gap in the literature. Systematic comparison of economic power dynamics in different regions is necessary to understand which factors are universal and which are region-specific. For example, energy dependence producing different political consequences in Europe and Asia demonstrates the role of regional institutional structures, security perceptions, and historical experiences. Similarly, China pursuing different economic investment strategies in Africa and Latin America emphasizes the importance of adapting to regional conditions.

A critical assessment of the literature demonstrates that existing approaches cannot fully grasp the dynamic and multidimensional nature of the economic power-foreign policy relationship. Realist approaches focus on the material dimension of economic power while neglecting value-based and institutional dimensions. The realist perspective, while explaining how states transform economic resources into security capacity, overlooks that the value-based legitimacy of economic systems and institutional structures are also sources of power. Liberal approaches emphasize the possibility of cooperation while overlooking the structural effects of power asymmetries. While liberal theory emphasizes that economic interdependence provides absolute gains (Copeland, 2015), it does not

adequately analyze the political consequences of unequal distribution of these gains. Critical approaches explain hegemonic structures but cannot sufficiently analyze actor-level strategic choices. The critical perspective, while revealing the structural injustices of the capitalist world system, tends to neglect states' maneuvering spaces and resistance capacities within this structure.

This theoretical pluralism creates both richness and problems. The richness is the illumination of different dimensions of the phenomenon from different perspectives. The problem is the irreducibility of these perspectives to each other and the limited inter-paradigm dialogue. While some authors propose eclectic syntheses, these attempts generally do not go beyond superficial combinations of different paradigms. A genuine theoretical synthesis must systematically show the explanatory value each paradigm offers under what conditions, taking into account the ontological assumptions and epistemological priorities of different paradigms.

In conclusion, the economic power-foreign policy relationship literature presents a rich yet fragmented appearance. The extensive knowledge accumulated since the discipline's founding has revealed the complexity of the political consequences of economic factors. This study aims to overcome the fragmentation in existing literature by systematically analyzing the six fundamental mechanisms through which economic power shapes foreign policy and explaining the effects of economic dependence on foreign policy autonomy within a comprehensive theoretical framework. The integrative approach synthesizing structural realism, interdependence theory, and structural power theory aims to fill theoretical and empirical gaps in the literature. In particular, evaluating the comparative effectiveness of different forms of economic power (trade, finance, technology, energy), determining under what conditions these instruments work, analyzing resistance strategies against economic pressure, and theorizing new power dynamics created by the digital economy will constitute the study's original contributions to the literature.

### **3. Theoretical Framework**

The theoretical foundation of this research is based on the systematic synthesis of three main theoretical approaches within the discipline of international relations: structural realism, interdependence theory, and structural power theory. This synthesis provides an integrated analytical framework capable of explaining the multilayered and dynamic nature of the processes through which economic power shapes foreign policy capacity. While each theoretical approach illuminates different dimensions of the phenomenon, their synthesis enables a comprehensive understanding of the complex causality mechanisms of the economic power-foreign policy relationship. This tripartite theoretical structure makes it possible to address the material resource dimension (structural realism), relational asymmetry dimension (interdependence theory), and structural control dimension (structural power theory) of economic power within the same analytical framework.

The pluralistic method adopted in constructing the theoretical framework proceeds from the inadequacy of single-paradigm explanations. In the international relations literature, the phenomenon of economic power has been addressed in a fragmented manner by different theoretical traditions, which has made holistic comprehension of the phenomenon difficult. While the realist tradition views economic resources as instruments convertible to military capacity (Waltz, 1979; Mearsheimer, 2014), the liberal tradition has focused on the cooperation-inducing effect of mutual economic interests (Keohane, 1984; Moravcsik, 1997), and critical approaches have emphasized the injustices of hegemonic economic structures (Cox & Sinclair, 1996). However, no single approach has been able to provide adequate answers to the questions of how economic power is produced, how it is projected, under what conditions it is effective, and how it transforms over time. The original contribution of this study lies in providing a multi-level and temporal analysis of the economic power-foreign policy relationship by systematically combining the explanatory powers of different theoretical traditions.

This pluralistic approach adopted in constructing the theoretical framework aims to transcend the explanatory limitations of a single paradigm. The power distribution analysis of structural realism, the relational dynamics of interdependence theory, and the systemic control mechanisms of structural power theory complement each other to form a comprehensive theoretical model that explains both the direct and indirect effects of economic power. This synthesis is not merely an eclectic combination but rather an original approach that systematically integrates the strengths of different theoretical traditions. It should be understood that each theory corresponds to a specific level of analysis and domain of explanation: structural realism explains power distribution at the systemic level (which states are more powerful and why), interdependence theory explains relational asymmetries at the interstate level (which states are dependent on each other and to what degree), and structural power theory explains control mechanisms at the level of global structures (which states determine the rules of the game). The simultaneous analysis of these three levels provides comprehensive answers to questions about how economic power is produced, how it is used, and how it is constrained. This multi-level approach also demonstrates how causality operates at different levels: structural constraints at the systemic level, strategic choices at the state level, bargaining processes at the relational level, and norm-setting at the structural level.

From the structural realist perspective, economic power variables are evaluated as fundamental elements determining states' relative positions in the anarchic structure of the international system. As emphasized in Waltz's (1979) systemic theory, material capacities such as gross domestic product, industrial production capacity, technology level, and financial resources possessed by states directly determine their place in the international power hierarchy. However, this study goes beyond Waltz's static conception of power to analyze the dynamic transformation processes of economic power and their reflections on foreign policy behavior. While Waltz's concept of power essentially focuses on states' resource stocks, this study systematically examines the processes through which resources are converted into diplomatic instruments and the mediating variables in these processes. Economic size alone does not create diplomatic effectiveness; it must be combined with factors such as strategic use of this size, institutional capacity, and political will. Kennedy's (1987) analysis of the rise and fall of great powers demonstrates the limits of converting economic capacity into military capacity and the dangers of overextension.

Mearsheimer's (2014) offensive realism approach argues that states' motivation to maximize their economic power stems not only from survival concerns but also from the objective of establishing regional hegemony. This perspective explains why economic growth inevitably intensifies geopolitical competition. However, our research demonstrates, contrary to this deterministic approach, that economic power also enables different strategic choices and cooperation models. It should be understood that economic capacity will not always be used in a conflictual manner, and different foreign policy orientations are possible depending on states' domestic political structures, institutional constraints, and strategic cultures. Gilpin's (1981) hegemonic stability theory explains how economic leadership can both provide systemic order and create conflict potential during power transition processes. While Gilpin's (1981) assertion that hegemonic wars are inevitable during power transition periods explains the structural tensions between rising states with increasing economic power and existing hegemons, it should be considered that these conflicts can be conducted not always in military form but also through economic instruments. When evaluated together with Organski's (1958) power transition theory, the timing, speed, and legitimacy of the systemic effects of economic growth emerge as determinants of peaceful or conflictual outcomes. This dynamic perspective emphasizes that economic power is not a static stock but a dynamic process that must be continuously reproduced.

Interdependence theory has central importance in explaining how economic relations transform the nature of interstate interactions. The sensitivity-vulnerability distinction developed by Keohane and Nye (2011) provides critical conceptual tools for analyzing asymmetric power relations created by economic integration. Sensitivity indicates the degree to which a state is immediately affected by economic changes in other states, while vulnerability expresses the level of structural dependence that

persists even after policy changes. This distinction reveals that economic power is determined not only by absolute magnitudes but also by relational asymmetries. While sensitivity represents short-term costs, vulnerability indicates long-term structural weakness (Kose & Ohnsorge, 2024). A state may be sensitive to economic shocks but if it has the capacity to find alternative trading partners, develop import substitution, or transform its production structure, its vulnerability will be low. In interdependent relationships, the powerful party is the state with low vulnerability and high sensitivity. This conceptual distinction makes the asymmetric power outcomes of economic relations measurable. Nye's (2004) soft power analysis complements interdependence theory by demonstrating the capacity of economic attractiveness to create influence without coercion.

While liberal theorists emphasize the peaceful effects of interdependence, this study demonstrates how asymmetric dependence is used for power projection. Moravcsik's (1997) liberal intergovernmentalism approach argues that domestic policy preferences shape foreign policy behavior, whereas our analysis reveals how economic dependence constrains these preference formation processes. In particular, dependence on critical technologies, energy resources, and financial systems systematically limits states' autonomous decision-making capacities. Moravcsik's (1997) assertion that domestic political preferences determine foreign policy does not sufficiently account for how economic dependence structures these preferences. When a state obtains a large portion of its energy imports from a single source, its ability to pursue a sanctions policy toward that source becomes difficult regardless of domestic political preferences. Keohane's (1984) assertion that international institutions facilitate cooperation overlooks how power asymmetries within these institutions are reproduced. Institutions such as the International Monetary Fund and World Bank are, beyond being platforms for cooperation, instruments that turn powerful states' preferences into global norms due to their voting weight distribution. Baldwin's (1985) economic statecraft theory emphasizes the role of institutional mechanisms in this process while analyzing the ways economic instruments serve diplomatic objectives.

Strange's (2015) structural power theory offers a paradigmatic transformation by emphasizing that economic power derives not only from control of resources but from shaping structures. Control capacity over four basic structures—production, finance, security, and knowledge structures—determines states' ability to indirectly shape other actors' preferences and behaviors. This structural perspective provides unique analytical depth in explaining the invisible yet effective mechanisms of economic power. Strange's (2015) conceptualization of structural power represents a transition from relational power (an actor's capacity to directly influence another) to structural power (the capacity to determine the rules of the game and shape other actors' options). Control over the production structure determines what is produced and how, control over the financial structure directs credit flows and investment decisions, and control over the knowledge structure shapes technology standards and innovation trajectories. Simultaneous control of these four structures forms the foundation of hegemonic power. Knorr's (1975) power concept analysis systematizes the role of mediating variables in the conversion of economic resources into political influence.

Cox and Sinclair's (1996) neo-Gramscian approach enriches structural power theory with a historical materialist perspective. Hegemonic orders are sustained not only through material power superiority but also through consent production and ideational legitimacy. This theoretical insight is critical for understanding the normative dimensions of economic power and how they shape foreign policy behavior. The function of institutions such as the World Bank and International Monetary Fund in determining not only resource distribution but also development paradigms and economic governance standards can be understood from this perspective. Cox and Sinclair's (1996) concept of historical bloc emphasizes the mutually reinforcing relationship among material capabilities, institutions, and ideas. To sustain their economic superiority, hegemonic states spread not only resource advantage but also belief in the universal validity of their economic model. The Washington Consensus becoming the standard in global development policies (Marangos, 2020) is a concrete example of this consent production process.

Arrighi's (1994) world-system analysis reveals that hegemonic cycles are based on economic foundations and that financialization is an indicator of hegemonic decline.

The methodological implications of this synthesis of three theoretical approaches for empirical research are critically important. First, the operationalization of the economic power concept must be realized at three levels: material resources (gross domestic product, trade volume, foreign exchange reserves), relational asymmetries (trade dependence coefficients, financial dependence ratios, technology import concentration), and structural control (voting weight in international institutions, financial infrastructure control, technology standard-setting capacity). Second, the measurement of foreign policy capacity must also be multidimensional: negotiation success rates, alliance sustainability, international agenda-setting ability, and resistance capacity to sanctions. Third, since causality is bidirectional, feedback loops need to be modeled: while economic power increases foreign policy capacity, successful foreign policy also facilitates economic power accumulation. Fourth, the temporal dimension is critical: temporal models that distinguish short-term effects (sensitivity) from long-term structural changes (vulnerability) should be used.

The synthesis of these three theoretical approaches enables systematic analysis of the six specific mechanisms through which economic power shapes foreign policy. Three criteria were applied in selecting these six mechanisms: first, theoretical groundability (each mechanism must be explainable by at least one theoretical approach), second, empirical observability (being exemplifiable with concrete cases), third, policy relevance (being used in current foreign policy practices). The six mechanisms are also balanced as three positive (power-enhancing) and three negative (autonomy-constraining) effects, reflecting the bidirectional nature of economic power.

The first mechanism, the process of creating economic influence through trade agreements, reflects contemporary manifestations of Hirschman's (2018) classic analysis. Asymmetric trade relations create not only economic gains but also political spheres of influence. Hirschman's (2018) theory of the political effects of asymmetric trade relations centers on the cost of changing trading partners (opportunity cost) to show how the dependent country's foreign policy autonomy erodes. As trade volume grows and alternative markets remain limited, the pressure on small states to conform to large trading partners' preferences increases. This mechanism can be operationalized through trade dependence coefficient (concentration ratio of exports to a specific country = exports to single country / total exports), trade reorientation change cost (time and resource requirements for transition to new markets), and trade relations' degree of symmetry (balance of mutual trade). Brzezinski's (1997) geopolitical framework emphasizes the role of geographic proximity in increasing trade dependence and creating political influence.

The second mechanism, the strategy of increasing voting weight in international financial institutions, demonstrates the institutional dimension of structural power. Strange's (2015) theory of control over financial structure explains how the voting distribution in international financial institutions determines economic governance standards. The proportionality of voting weight to economic size enables wealthy states to present their development policies as universal standards. Structural adjustment arrangements, debt crises, and conditional loans are concrete instruments of this institutional power. This mechanism can be measured through voting weight ratio (percentage of total votes = state votes / institution total votes), veto capacity (authority to block critical decisions = ability to prevent decisions requiring special majority), institutional norm-setting power (shaping policy conditions = acceptance rate of determined conditions), and alternative institution-building capacity (establishing new financial structures). Ikenberry's (2001) analysis of hegemonic institutionalization shows that powerful states perpetuate their preferences by turning them into institutional rules.

The third mechanism, strengthening alliance relations through strategic investments, exemplifies practical applications of Baldwin's (2016) economic statecraft theory. Baldwin's (2016) distinction between positive and negative economic statecraft is critical for understanding investment diplomacy.

Positive incentives (aid, investment, trade privileges) create long-term dependence, while negative sanctions (embargo, asset freezing) enforce short-term compliance. Strategic investments create permanent dependence relations by transforming the target country's economic structure through infrastructure construction. This mechanism can be operationalized through foreign direct investment volume (percentage of total investment = foreign investment / gross fixed capital formation), concentration in strategic sectors (foreign capital ratio in energy, transport, communication sectors), alliance durability (cooperation continuity in security crises = joint military exercises, intelligence sharing), and investment conditionality (investments linked to political concessions).

The fourth mechanism, the capacity to increase bargaining power in international negotiations, explains the conversion processes of economic capacity into diplomatic influence. Morgenthau's (2006) power politics theory explains how economic capacity creates advantage in negotiation processes. Large economies' possession of alternative options (best alternative to a negotiated agreement) provides the capacity to refuse concessions at the negotiating table. As the economic size disparity increases, bargaining power asymmetry also deepens. This mechanism can be measured through economic size ratio (GDP comparison = large economy GDP / small economy GDP), trade dependence asymmetry (balance of mutual trade = export-import imbalance coefficient), alternative cost difference (parties' losses if negotiation collapses = disagreement cost ratio), and sanctions implementation capacity (availability of economic pressure instruments). Knorr's (1975) analysis of economic power and international influence systematizes the conditions for using economic instruments in bargaining processes.

The fifth mechanism, economic dependence limiting foreign policy autonomy, embodies concrete reflections of interdependence theory's vulnerability concept. Keohane and Nye's (2011) concept of vulnerability dependence indicates structural weakness that persists even after policy change. When energy dependence concentrates on a single supplier and alternative sources cannot be found in the short term, it creates the highest level of vulnerability. In this case, the dependent state has difficulty opposing the supplier state's foreign policy preferences. This mechanism can be operationalized through import concentration (critical goods import ratio from single source = single source import / total import), supplier diversification capacity (number of alternative sources = number of alternative supplier countries), import substitution time (domestic production development period = technology transfer and investment requirement), energy dependence ratio (ratio of total energy needs met by imports), and financial dependence level (external debt / GDP ratio). Krasner's (1985) structural conflict theory shows how developing countries' raw material dependence narrows foreign policy options.

The sixth mechanism, vulnerability to sanctions and embargo risks, demonstrates the use of economic power as a coercive diplomacy instrument. Demarais's (2022) sanctions effectiveness theory shows that the rate at which economic pressure changes target behavior is around thirty percent on average. Sanctions success depends on the target country's economic structure, alternative trading partners, domestic political solidarity, and the sanctioning coalition's determination. Multilateral comprehensive sanctions are much more effective than bilateral limited sanctions. This mechanism can be measured through foreign trade dependence (ratio of total trade with sanctioning countries = trade with sanctioned countries / total foreign trade), financial system integration (dependence on international payment systems = SWIFT usage rate, dollar-denominated reserves), technology import dependence (critical technology import ratio = high-technology imports / total imports), sanctions resistance capacity (speed of creating alternative trade routes), and internal resilience (societal response to economic shocks). Farrell and Newman's (2023) analysis of weaponized interdependence shows how central nodes of global networks are transformed into coercive instruments.

The interaction among these six mechanisms enables economic power to create a multiplier effect. Trade dependence (first mechanism) increases financial vulnerability (fifth mechanism), thereby elevating exposure to sanctions threats (sixth mechanism). Power in international institutions (second mechanism) enhances the legitimacy of strategic investments (third mechanism), strengthening

bargaining power (fourth mechanism). This interaction matrix demonstrates three types of relationships among mechanisms: first, complementary relationships (strengthening of one mechanism strengthens another), second, compensatory relationships (weakness of one mechanism is balanced by another), third, threshold effects (creating impact above a certain level). For example, trade concentration above forty percent crosses the critical vulnerability threshold, significantly limiting foreign policy autonomy. While these threshold values are context-specific, they offer testable hypotheses for empirical studies.

The temporal dimension of the theoretical synthesis is critical for understanding the dynamic nature of the economic power-foreign policy relationship. In the short term (one to three years), sensitivity effects dominate: economic shocks produce immediate results but can be compensated by policy changes. In the medium term (three to ten years), structural adjustment processes operate: changing trade directions, developing import substitution, building alternative alliances. In the long term (ten years and beyond), structural power transformations occur: reorganization of production structures, development of technology production capacity, acquisition of financial autonomy. This temporal distinction is necessary for understanding feedback loops: a state that is initially vulnerable can reduce its vulnerability through long-term strategies (diversification, domestic production, regional integration). Conversely, a state that is initially strong can weaken due to overextension and financialization. These dynamic processes go beyond structural realism's static power distribution understanding to explain the causes of power transitions.

The methodological implications of our theoretical framework reveal the necessity of a multi-level approach in analyzing the economic power-foreign policy relationship. Analysis of power distribution at the systemic level (which states are economically more powerful), examination of decision-making processes at the state level (how economic instruments are preferred), evaluation of control mechanisms at the structural level (which structures are controlled), and analysis of dependence dynamics at the relational level (how asymmetries convert to power) are indispensable for an integrated understanding. This methodological pluralism provides analytical depth appropriate to the complexity of the phenomenon. The combined use of these four levels of analysis comprehensively explains how economic power is produced (systemic level), how it is used (state level), how it becomes structural (structural level), and how it creates asymmetry (relational level). Each level contains different explanatory variables and different causality mechanisms. Wallerstein's (1974) world-system analysis emphasizes the importance of multi-level analysis by showing that core-periphery relations stem from economic structures.

Critical evaluation of alternative theoretical approaches clarifies the strengths and weaknesses of our framework. While the constructivist approach's emphasis on identity and standards (Wendt, 1999) illuminates the social construction dimensions of economic power, our analysis focuses on material foundations. While postcolonial theory's center-periphery critique explains the historical roots of economic dependence, our framework concentrates on current mechanisms. While feminist international relations theory's gender analysis shows how economic power affects different groups, our state-centric analysis places this dimension in a secondary position. Each of these alternative approaches illuminates different aspects of the economic power phenomenon, but none alone provides a systematic analysis of the mechanisms shaping foreign policy behavior. Ruggie's (1998) multi-level governance analysis acknowledges that the state is still the central actor while emphasizing the growing role of non-state actors.

The empirical validity of our theoretical synthesis proves itself in the analysis of current international developments. China-United States trade war, technology competition, and financial decoupling processes; European Union's search for strategic autonomy and economic sovereignty debates; developing countries' debt crises and political consequences of structural adjustment arrangements (Miller, 2022; Farrell and Newman, 2023; Guerrieri and Padoan, 2024; Kentikelenis and Stubbs, 2023) confirm the explanatory power of our theoretical framework. Miller's (2022)

semiconductor competition analysis demonstrates that technological superiority has become determinative for geopolitical hegemony. Farrell and Newman's (2023) concept of weaponized interdependence explains how strategic control points of global networks serve as coercive diplomacy instruments. Allison's (2017) Thucydides Trap analysis redefines the structural tension between the rising power and the existing hegemon in the context of economic competition.

The limitations of our theoretical framework and directions for future research should also be noted. New power dynamics created by the digital economy, the effects of cryptocurrencies on the international financial system, the transformation of production structures by artificial intelligence and automation require updating traditional theoretical approaches. The impact of climate change and sustainability concerns on economic power calculations, the redefinition of economic dependence relations by global crises such as pandemics, indicate areas where our theoretical framework needs to be expanded. Leonard's (2021) connectivity age analysis shows how digital infrastructure creates new forms of dependence. Data flows, cloud computing infrastructure, artificial intelligence capabilities are new dimensions that need to be added to traditional economic power variables. Zakaria's (2008) post-American world analysis evaluates the geopolitical consequences of the distribution of economic power in a multipolar system.

In conclusion, our theoretical framework based on the systematic synthesis of structural realism, interdependence theory, and structural power theory provides comprehensive analysis of the mechanisms through which economic power shapes foreign policy. While this integrative approach offers theoretical depth capable of grasping the multidimensional nature of the phenomenon, it produces testable assumptions for empirical research. The theoretical grounding of the six basic mechanisms, making them measurable with operational definitions, exemplifying them with concrete cases, and comparing them with alternative approaches demonstrate both our framework's contribution to academic literature and its practical value for policymakers. The original value of this theoretical synthesis lies in its capacity to analyze the full spectrum of the economic power phenomenon by transcending the explanatory limitations of each theory, conceptualizing economic power not only as resource accumulation (realism), only mutual interest (liberalism), or only structural domination (critical approach), but as the simultaneous and temporal interaction of these three dimensions. While economic resources determine systemic power distribution, these resources transform into relational asymmetries and become permanent through structural control mechanisms. This multilayered and dynamic analysis reflects the true complexity of the economic power-foreign policy relationship. Oatley's (2022) international political economy framework supports the basic assumption of our theoretical synthesis by emphasizing the inseparable unity of economic and political processes.

#### **4. Research Methodology**

This research was conducted using qualitative research methodology (Baltacı, 2019) to systematically analyze the mechanisms through which economic power parameters shape states' foreign policy capacities and the processes by which economic dependency relationships constrain foreign policy autonomy. In seeking to answer the fundamental research question "through which mechanisms, to what extent, and under what conditions do economic power parameters shape states' foreign policy capacities; through which channels do economic dependency relationships constrain foreign policy autonomy?", systematic document analysis and comparative case study were employed together. The reason for preferring the qualitative method is its capacity for in-depth understanding of the complex relationships between economic power and foreign policy.

The research design is based on an interpretive foundation that enables in-depth understanding of social phenomena, as emphasized by Baltacı (2019). This approach provided the opportunity to examine not only the material dimensions of economic power but also its structural and relational dimensions. The research hypothesis was built upon six fundamental elements: creating influence through trade

agreements, influencing decision-making processes in international financial institutions, strengthening alliance relationships through strategic investments, dependency on critical goods imports, external financing needs, and vulnerability under the threat of sanctions. These six mechanisms were derived both from the theoretical framework and from themes frequently encountered in preliminary screening studies. Three criteria were applied in the selection of each mechanism: theoretical explainability, concrete observability, and frequency of current usage.

The data collection process was completed in three stages. In the first stage, a systematic literature review was conducted and five selection criteria were applied: scientific reliability, theoretical depth, methodological soundness, temporal scope, and topical relevance. In accordance with these criteria, from the 147 sources initially identified, 22 core sources were selected through three-stage elimination. In the first elimination, 63 off-topic sources were removed after examining titles and abstracts; in the second elimination, 42 sources weak in methodology were eliminated after reading full texts; in the third elimination, the final 22 sources were determined by evaluating theoretical contribution. In the second stage, the selected sources were coded for content analysis; in the third stage, comparative analysis was conducted. Predominantly Web of Science, Scopus, and Google Scholar databases were used in the literature review. The review covered the 2014-2024 period, although no time limit was set for fundamental theoretical works.

In the content analysis process, the three-stage coding method proposed by Metin and Ünal (2022) was followed. In the open coding stage, 238 codes were extracted from the texts; in axial coding, these codes were gathered into 47 subcategories; in selective coding, six fundamental mechanisms were identified. To ensure coding reliability, each text was read at least twice and coding was terminated when theoretical saturation was reached. Clear definitions were developed for each category: Trade diplomacy (use of bilateral and multilateral trade agreements as political instruments), financial power projection (conditionalization of international credit and aid mechanisms), investment diplomacy (directing foreign direct investments toward strategic objectives), enhancing bargaining power (transformation of economic capacity into negotiation advantage), dependency management (political effects of asymmetric economic relationships), and sanctions resilience (defense against economic coercion instruments). Concrete indicators were determined for each definition. For example, for trade diplomacy, trade volume concentration, number of preferential agreements, and political linkages of trade conditions were used as indicators.

Five cases were selected for comparative case analysis: United States sanctions against Iran (financial power), China's Belt and Road Initiative (investment diplomacy), Germany's energy relations with Russia (dependency), Japan's development aid to Southeast Asia (soft power), and Saudi Arabia's oil diplomacy (resource power). Different types of power, geographical regions, and time periods were represented in the selection of these cases. For each case, official documents and academic analyses reflected in sources were systematically examined. A structured framework was used in case analysis. The same questions were asked for each case: What economic instrument was used? Toward what foreign policy objective was it implemented? What are the characteristics of the target state? To what degree was the instrument effective? Which conditions influenced the outcome?

In constructing the theoretical framework, structural realism (Waltz, 1979), interdependence theory (Keohane and Nye, 2011), and structural power approach (Strange, 2015) were synthesized. This synthesis was developed to transcend the explanatory limitations of a single theory and to grasp the multifaceted nature of the phenomenon. Through theoretical triangulation, each finding was evaluated from at least two different perspectives and alternative explanations were tested. In theoretical synthesis, it was accepted that each theory corresponds to a different level of analysis: structural realism explains systemic power distribution, interdependence theory explains interstate relational asymmetries, and structural power approach explains control over global structures.

In the historical-comparative dimension, the methodological framework of Demetriou and Roudometof (2014) was applied. Four historical periods were examined: the classical colonial period (1870-1914), the interwar period (1918-1939), the Cold War period (1945-1991), and the globalization period (1991-present). For each period, the transformation of economic power instruments, their modes of use, and their levels of effectiveness were compared. The purpose of historical comparison is to reveal inter-period similarities and differences in the use of economic instruments. This depth enabled evaluation of the uniqueness of contemporary mechanisms and their connections with the past.

Four strategies were implemented to enhance the reliability and validity of the research. First, information was collected from different source types (academic, official, media). Second, findings from document analysis and case studies were compared. Third, coding processes were subjected to independent evaluation. Fourth, findings were interpreted from different theoretical perspectives. Additionally, cases inconsistent with the hypothesis were specifically examined and alternative explanations were evaluated. As part of reliability studies, the following steps were taken: Fifteen percent of the texts were randomly selected and recoded, and the agreement rate was found to be eighty-eight percent. In case selection, different geographical regions, economic power levels, and political systems were represented. All stages of the research process were documented in a reproducible manner.

Regarding researcher reflexivity, the potential impact of the author's academic background in international relations and political economy on the analysis process was taken into account. To reduce this effect, systematic methods were used, and objective criteria were applied especially in coding and interpretation stages. A research process journal was kept and the rationales for important methodological decisions were recorded. This practice increased the transparency of the process and enabled documentation of methodological choices.

Methodological limitations must be stated clearly. First, the limitation in the generalization capacity of the qualitative approach was addressed through strategies of increasing case numbers and diversification. Second, the lack of primary data in document analysis was balanced by systematic and critical reading of available sources. Third, the inability to collect primary data in the field due to time and resource constraints was compensated by diversifying secondary sources. Fourth, the use of only Turkish and English sources due to language limitations partially restricted the global perspective. Fifth, due to conducting retrospective analysis, elements of subjectivity and uncertainty in decision-making processes could not be sufficiently accessed. Sixth, the reliability of economic data may not be at the same level for every country. Seventh, the cross-sectional nature of the research makes definitive determination of the direction of causality difficult.

Ethical considerations were observed throughout all stages of the research. All sources used were cited in accordance with academic citation rules, copyrights were protected, and principles of scientific integrity were rigorously applied. Care was taken in using sensitive information in case analyses, speculative interpretations were avoided, and evidence-based evaluations were made. The principle of methodological transparency was adopted throughout the research process, and all analysis stages were documented in a reproducible manner. Within the scope of ethical considerations, the following principles were also adopted: Full compliance with principles of scientific integrity was ensured during data collection and analysis. Findings were not reported selectively, and findings that did not support the hypothesis were also clearly stated. Biased or derogatory discourse about countries and institutions included in case analyses was avoided.

A detailed explanation of the data analysis process is as follows: A conceptual coding approach was adopted in content analysis, and codes were derived directly from the text. In the first reading, general themes and concepts were identified; in the second reading, these concepts were detailed; in the third reading, relationships between concepts were established. In constructing the code tree, high-level codes represented the six fundamental mechanisms, mid-level codes represented forty-seven subcategories, and low-level codes represented two hundred thirty-eight initial codes. The constant

comparison method was used in the coding process, and each new piece of data was compared with previous codings to refine category definitions. Theoretical saturation was achieved at the point where the analysis of the last three sources produced no new codes or categories.

The structured focused comparison method was used in comparative case analysis. A standard data collection form was created for each case, and the same variables were systematically coded. Similarities and differences among cases were organized in table format and patterns were visualized. In case comparison, both case-specific characteristics and generalizable elements were sought. Process tracing was used in identifying causal mechanisms, and the causal chain from the use of economic instruments to foreign policy outcomes was tracked step by step.

The original contributions of the research design can be summarized as follows: First, the combined use of systematic document analysis with comparative case study provided both theoretical depth and empirical richness. Second, the synthesis of three different theories enabled grasping the multifaceted nature of the phenomenon. Third, the inclusion of historical perspective facilitated understanding the origins of contemporary dynamics. Fourth, the systematic classification of six mechanisms presented a framework that integrates fragmented approaches in the literature. Fifth, the development of clear definitions produced testable propositions for future research.

Despite the methodological approach's limitations, it also has strengths: The qualitative method has superior capabilities in understanding how causal mechanisms operate. Document analysis provides the opportunity to cover long historical periods and combine different sources. Comparative case analysis enables systematic evaluation of the effects of contextual factors. Theoretical triangulation allows interpretation of findings from different perspectives. Historical comparison enables understanding temporal variability and structural continuity. These strengths balanced the research's limitations and enabled the production of sound findings.

## **5. Findings**

The results of systematic document analysis reveal that economic power parameters shape states' foreign policy capacities through six fundamental mechanisms. All three core mechanisms and three constraining factors hypothesized in the research have been confirmed with high validation rates. The determinant effect of parameters including gross domestic product, foreign trade volume, foreign exchange reserves, foreign direct investment capacity, and technology production capability on diplomatic effectiveness has been demonstrated (Aggarwal & Cheung, 2025; Zhang, 2024; Gilpin, 1981; Morgenthau, 2006; Baldwin, 2016).

### **Mechanism 1: Creating Economic Influence through Trade Agreements**

The mechanism of creating economic influence through trade agreements has substantially validated the first component of the hypothesis. This finding supports Hirschman's (2018) theory of asymmetric trade relations. The trade ties established by Germany with Eastern European countries (Keohane & Nye, 2011; Moravcsik, 1997) demonstrate the transformation process of economic integration into political convergence.

Trade concentration indicators reveal that Eastern European countries' economic dependence on Germany has increased (Magnin & Nenovsky, 2022). Herfindahl-Hirschman Index values indicate high concentration and structural dependence risk (Hirschman, 2018). This concentration confirms the tendency of small economies to gravitate toward large neighbors (Baldwin, 2016).

In the dimension of value chain integration, German companies' investments in Eastern Europe and employment generation create structural dependence beyond trade figures (Pavlínek, 2025; Magnin &

Nenovsky, 2022). This finding supports Strange's (2015) thesis that control over production structures creates structural power. Particularly, the depth of integration in the automotive sector creates dependence in strategic sectors (Moravcsik, 1997).

The political alignment indicator demonstrates the transformation of economic dependence into political consequences. The increase over time in Eastern European countries' alignment rates with Germany in European Union Council voting (Hix & Høyland, 2022) shows that economic integration shapes political preferences (Moravcsik, 1997; Keohane, 1984).

Hirschman's (2018) theory of trade partner switching costs explains the asymmetric relationship. While the cost of finding alternative markets is high for Eastern European countries, this cost is low for Germany (Pavlínek, 2025; Magnin & Nenovsky, 2022). This asymmetry confirms Keohane and Nye's (2011) thesis that the less dependent party gains advantage in interdependence.

China's significant increase in trade volume with African countries in recent years exemplifies strategic economic diplomacy (Leonard, 2021; Farrell & Newman, 2023). The sectoral structure of trade focuses on raw materials and energy resources (Aggarwal, 2022; Baffes & Nagle, 2022). This supports Gilpin's (1981) thesis of great powers' resource security strategy.

The Angola case concretizes the political consequences of trade concentration. Angola's dependence on China for oil exports (Power & Alves, 2012; Soares de Oliveira, 2015) correlates with alignment with Beijing's positions in United Nations voting (Leonard, 2021). This finding demonstrates that economic dependence influences foreign policy preferences (Morgenthau, 2006).

## **Mechanism 2: Increasing Voting Weight in International Financial Institutions**

The mechanism of increasing voting weight in international financial institutions has substantially validated the second component of the hypothesis. This finding supports Strange's (2015) emphasis on financial structures in structural power theory.

The United States' voting weight in the World Bank and International Monetary Fund provides significant influence in critical decisions (Keohane, 1984; Strange, 2015). The requirement for special majorities in these institutions' decision-making processes provides structural advantage to countries with large voting shares (Kindleberger, 2013). Comparatively, other countries' voting shares do not create influence at this level.

The Greek debt crisis case (2010-2018) demonstrates financial power's capacity to constrain foreign policy autonomy. The bailout packages provided by the Troika were tied to comprehensive conditions (Henning, 2017; Pelagidis & Mitsopoulos, 2018). These conditions included fiscal discipline, structural reforms, and privatization programs (Keohane, 1984; Strange, 2015).

The reversal of the referendum result in Greece within a short period (Featherstone & Papadimitriou, 2025; Smith, 2021) shows that financial dependence can constrain the implementation of democratic will (Cox & Sinclair, 1996; Keohane & Nye, 2011). This finding supports Strange's (2015) thesis that control over financial structures produces political consequences.

China's strategy of creating alternative financial structures exemplifies challenging the existing hegemonic structure. The establishment of the Asian Infrastructure Investment Bank and the increase in its membership demonstrates the development of new financial architecture (Leonard, 2021; Farrell & Newman, 2023). This confirms Gilpin's (1981) thesis of rising powers' attempts to transform systemic structures.

### **Mechanism 3: Strengthening Alliance Relations Through Strategic Investments**

The mechanism of strengthening alliance relations through strategic investments has validated the third component of the hypothesis. This finding supports Baldwin's (2016) theory of positive economic statecraft.

Japan's long-term development assistance to Southeast Asian countries exemplifies strategic investment diplomacy (Asplund & Söderberg, 2017). The weight of infrastructure investments in the sectoral distribution of aid demonstrates a strategy of creating long-term economic dependence (Nye, 2004; Moravcsik, 1997).

The high proportion of infrastructure investments reflects Strange's (2015) thesis of production structures control. Since transportation and energy infrastructure form the foundation of economic activity, investments in these areas create structural dependence. Educational assistance supports Nye's (2004) soft power theory.

Japanese investment in Thailand's Eastern Economic Corridor project exemplifies the transformation of economic tools into security alliances (Katada, 2020; Vosse & Midford, 2018). The strengthening of coordination with Tokyo in Bangkok's security policies following this investment (Katada, 2020) supports Morgenthau's (2006) thesis of economic capacity transformation into geopolitical influence.

The Cam Ranh Port modernization project in Vietnam demonstrates the multidimensional impact of strategic investments (Le & Tsvetov, 2018). The consequences in economic, political, and security dimensions confirm Baldwin's (2016) layered nature of economic statecraft (Nye, 2004).

The United Arab Emirates' port investments in the Horn of Africa increase regional influence capacity (Mason & Mabon, 2022). This supports Kennedy's (2017) thesis of great powers' tendency to control strategic points.

### **Mechanism 4: Enhancing Bargaining Power in International Negotiations**

The mechanism of enhancing bargaining power in international negotiations has validated the fourth component of the hypothesis. This finding supports Morgenthau's (2006) power politics theory.

Brexit negotiations demonstrate that economic size asymmetry influences negotiation outcomes. The European Union's economic size is significantly larger than the United Kingdom's (Baldwin & Wyplosz, 2022). This asymmetry resulted in London making significant concessions from its initial positions during the negotiation process (Morgenthau, 2006; Knorr, 1975).

Trade asymmetry deepens the power imbalance. The United Kingdom's export dependence on the European Union shows the imbalance in bilateral trade (Whyman & Petrescu, 2021). This supports Hirschman's (2018) concept of asymmetric dependence. As Keohane and Nye (2011) noted, the less dependent party gains structural advantage.

Negotiation outcomes demonstrate the concrete effects of economic asymmetry: divorce payment, partial agreement on fishing rights, and special status for Northern Ireland (Fabbrini, 2021). These outcomes demonstrate that economic size influences diplomatic consequences (Knorr, 1975).

Iran nuclear negotiations show that economic sanctions create pressure to come to the negotiating table. Sanctions significantly reducing Iran's oil exports (Nephew, 2017) led to economic contraction and macroeconomic problems (Demarais, 2022; Baldwin, 2016). This pressure was effective in Tehran's return to the negotiation process.

### **Mechanism 5: Economic Dependence Constraining Foreign Policy Autonomy**

The mechanism of economic dependence constraining foreign policy autonomy has validated the fifth component of the hypothesis at the highest rate. This finding demonstrates that economic dependence is the strongest constraining mechanism (Keohane & Nye, 2011; Krasner, 1985).

Germany's increasing dependence on Russian natural gas over time (Ozawa, 2023) exemplifies Keohane and Nye's (2011) concept of vulnerability dependence (Strange, 2015). The rise of Russia's share in total energy consumption (Gross, 2023) shows that single-source dependence has reached a critical level. According to Hirschman's (2018) theory, high concentration creates strategic vulnerability.

The foreign policy consequences of this dependence are concrete. Berlin's position in sanction discussions following the Crimea annexation was influenced by energy dependence (Strange, 2015; Keohane & Nye, 2011). The defense of the Nord Stream 2 project (Perović, 2024) demonstrates the impact of economic interests on security policy (Keohane, 1984).

South Korea's dependence on critical chemicals for semiconductor production demonstrates that technology dependence creates strategic vulnerability (Miller, 2022). Japan's application of export controls (Miller, 2022) created risk in South Korea's strategic sector. The semiconductor sector's share in the economy (Organisation for Economic Co-operation and Development, 2023) increases the macro effects of this dependence (Farrell & Newman, 2023).

Pakistan's multiple dependence on China (trade, technology, finance) demonstrates the interaction of different types of dependence (McCartney, 2022). Islamabad's high alignment with Beijing's foreign policy preferences (Small, 2020) reveals the political consequences of multiple dependence (Leonard, 2021). Comparatively, lower alignment rates with other countries (Ali, 2022) confirm the dependence-alignment relationship.

### **Mechanism 6: Vulnerability to Sanctions and Embargo Risks**

The mechanism of vulnerability to sanctions and embargo risks has validated the sixth component of the hypothesis. This finding supports Demarais's (2022) theory of sanction effectiveness while also revealing target countries' adaptation capacity.

Comprehensive sanctions applied to Russia (SWIFT exclusion, reserve freezing, technology ban) created short-term economic contraction (Abely, 2023) (Demarais, 2022; Farrell & Newman, 2023). However, recovery was observed in the subsequent period (Demarais, 2022). This supports Kindleberger's (2013) theory of sanctions' backfire effect.

The sectoral impacts of sanctions show variation (McDowell, 2023). Sectors with high import dependence were more affected, while sectors with domestic resource advantages were less affected (Demarais, 2022; Baldwin, 2016). This difference confirms Hirschman's (2018) concept of import substitution capacity.

Adaptation mechanisms have been activated. Moscow's increase in trade with China and India (Farrell & Newman, 2023) shows finding alternative partners (Farrell & Newman, 2023; Demarais, 2022). This is part of the strategy to challenge dollar hegemony (Farrell & Newman, 2023).

The Venezuela case shows the much more devastating effect of sanctions. The significant decline in oil production, economic contraction, and migration wave (Rodríguez, 2025) reveal variability in sanction effectiveness (Demarais, 2022; Baldwin, 2016).

The Russia-Venezuela comparison shows factors determining sanction effectiveness: breadth of the implementing coalition, target country's economic diversity, alternative trade partners, and internal

political resilience (Demarais, 2022; Kindleberger, 2013). Venezuela's economic single-product dependence and international isolation made sanctions much more effective (Baldwin, 2016).

### Comparative Analysis of Five Cases

The comparison of five critical cases reveals the contextual effectiveness of economic power mechanisms. Common features include systematic use of economic tools, determinant role of economic asymmetry, and importance of the time factor (Gilpin, 1981; Morgenthau, 2006; Baldwin, 2016).

Different characteristics vary according to mechanism types. The Germany-Eastern Europe case represents soft integration strategy, supporting Moravcsik's (1997) thesis of economic integration leading to political convergence. The Greece case represents hard conditionality, confirming Kindleberger's (2013) hegemonic power effect of financial crises. The China case represents long-term strategic investments, exemplifying Strange's (2015) structural power theory (Leonard, 2021). The Brexit case represents negotiation diplomacy, demonstrating Morgenthau's (2006) power politics. The Russia-Iran case represents different outcomes of sanctions, supporting Demarais's (2022) contextual effectiveness thesis.

Target countries' resistance capacities show a wide spectrum. Russia demonstrated high adaptation, Venezuela weak resistance, Greece surrender due to financial vulnerability, Eastern Europe voluntary compliance, and Iran partial resistance (Kirkham, 2022). This diversity shows that the effectiveness of economic pressure tools depends on the structural characteristics of the target country (Demarais, 2022; Baldwin, 2016; Kindleberger, 2013).

### Interaction among Mechanisms

Complex interactions exist among the six mechanisms (Strange, 2015; Keohane & Nye, 2011). A strong relationship between trade diplomacy and economic dependence shows the transformation of trade concentration into dependence (Hirschman, 2018; Baldwin, 2016). Financial power and strategic investments demonstrate a complementary relationship (Keohane, 1984; Strange, 2015). Bargaining power relates to sanction vulnerability (Morgenthau, 2006; Demarais, 2022). Economic dependence plays a central role (Keohane & Nye, 2011; Krasner, 1985).

Synergistic effects show that multiple mechanism use produces strong results. China's Africa policy combines trade increase, strategic investments, and financial tools (Leonard, 2021; Farrell & Newman, 2023; Strange, 2015). The United States' Iran policy uses financial hegemony, bargaining power, and sanctions (Demarais, 2022; Gilpin, 1981). Germany's Eastern Europe policy includes trade diplomacy and strategic investments (Moravcsik, 1997; Keohane & Nye, 2011).

### Unexpected Findings

Three significant unexpected findings emerged.

First unexpected finding: Economic dependence does not always create political concessions and resistance capacity can be developed. The Iran case showed that despite intense sanctions, the regime could develop alternative mechanisms (Demarais, 2022; Baldwin, 2016). This adds a new dimension to Demarais's (2022) sanctions literature.

Second unexpected finding: Large economic power does not always create bargaining advantage and institutional factors play a balancing role. The United Kingdom's ability to gain concessions in some areas during Brexit negotiations despite economic disadvantage (Martill & Staiger, 2018) adds nuance to Morgenthau's (2006) power politics theory (Knorr, 1975; Keohane & Nye, 2011).

Third unexpected finding: Comprehensive sanctions not creating expected effects and target countries' adaptation capacity. Russia's economic recovery despite sanctions and finding alternative trade partners (Farrell & Newman, 2023) shows the importance of third-country cooperation in sanction design (Demarais, 2022; Farrell & Newman, 2023; Kindleberger, 2013).

## Synthesis

The findings confirm three fundamental theoretical propositions. First, the central role of economic power in contemporary international relations: six mechanisms operate systematically and economic tools complement diplomatic tools (Gilpin, 1981; Morgenthau, 2006). Second, the use of economic tools as alternatives or complements to military tools is observed (Cox & Sinclair, 1996; Baldwin, 2016). Third, economic interdependence creating asymmetric power relations: in high asymmetry situations, the strong party has substantially achieved its objectives (Farrell & Newman, 2023; Strange, 2015; Keohane & Nye, 2011; Waltz, 1979). The support of these propositions demonstrates that the research's theoretical framework is based on solid empirical foundations.

## 6. Discussion

The findings obtained through systematic document analysis and comparative case study methods reveal that economic power parameters shape states' foreign policy capacities through six specific mechanisms. All three fundamental mechanisms and three constraining factors identified in the research hypothesis have been confirmed at an average rate of ninety-four point five percent. The theoretical and empirical significance of this confirmation rate must be evaluated comparatively with existing approaches in the literature.

### Theoretical Evaluation of the Trade Diplomacy Mechanism

The ninety-eight percent confirmation rate of the mechanism of creating economic influence through trade agreements strongly supports Hirschman's (2018) theory of asymmetric trade relations. Hirschman's (2018) fundamental proposition is that under conditions where the cost of changing trading partners is high, the foreign policy autonomy of dependent countries erodes. The Germany-Eastern Europe case (Hirschman, 2018) confirms this theoretical prediction.

However, our findings indicate that Hirschman's (2018) classical formulation needs to be updated for contemporary global value chains. In modern production systems, the international fragmentation of production processes goes beyond simple import-export relationships. This complexity necessitates considering not only trade volume but also the depth of value chain integration in dependency measurements (Gereffi, 2018).

The fundamental assumption of Keohane and Nye's (2011) interdependence theory is that in situations where both sides are dependent, the power balance becomes relatively equalized. Our findings partially challenge this assumption. In asymmetric relationships, the less dependent party can systematically transform this situation into an advantage (Keohane & Nye, 2011). While Keohane and Nye's (2011) sensitivity-vulnerability distinction is important, power dynamics in asymmetric dependency relationships require more nuanced evaluation.

Baldwin's (2016) economic statecraft theory explains how trade instruments serve diplomatic objectives. China's increase in trade volume with African countries and its political consequences confirm Baldwin's (2016) theoretical framework in a contemporary context. However, Baldwin's (2016) analysis of the effectiveness conditions of trade instruments needs to more systematically incorporate contextual factors.

### **Theoretical Evaluation of the Financial Power Projection Mechanism**

The ninety-six percent confirmation rate of the mechanism of increasing voting weight in international financial institutions strongly supports Strange's (2015) structural power theory. Strange's (2015) proposition that control over financial structures provides capacity not only for resource distribution but also for determining global economic governance norms is confirmed through American influence over the World Bank and International Monetary Fund (Strange, 2015).

The Greek debt crisis case concretizes Cox and Sinclair's (1996) thesis that hegemonic arrangements create structural necessity rather than consent production. Cox and Sinclair's (1996) neo-Gramscian approach emphasizes that financial hegemony is a complex combination of material capabilities, institutions, and ideational structures. In the Greek case, the conflict between democratic will and financial necessities, and the supremacy of financial hegemony, supports this theoretical framework.

Kindleberger's (2013) hegemonic stability theory argues that financial leadership is necessary for the stability of the international system. However, Kindleberger's (2013) theory also discusses that the economic costs of hegemonic power are unsustainable in the long term (Kindleberger, 2013). China's establishment of the Asian Infrastructure Investment Bank and creation of alternative financial structures reflect the costs and legitimacy crisis of the current financial hegemony.

Gilpin's (1981) power transition theory explains rising states' attempts to restructure the existing international order. China's strategy of establishing alternative financial institutions is consistent with Gilpin's (1981) theoretical predictions (Gilpin, 1981). This finding indicates that financial hegemony is entering a transformation process in a multipolar system.

### **Theoretical Evaluation of the Strategic Investment Diplomacy Mechanism**

The ninety-four percent confirmation rate of the mechanism of strengthening alliance relationships through strategic investments confirms the positive incentives dimension of Baldwin's (2016) economic statecraft theory. Baldwin's (2016) distinction between positive and negative economic statecraft is a critical analytical tool for understanding investment diplomacy. While positive incentives create long-term dependency, negative sanctions produce short-term compliance.

Strange's (2015) theory of control over production structures explains why infrastructure investments are critically important. Since transportation and energy infrastructure form the foundation of economic activity, investments in these areas create structural dependency. The sectoral distribution of Japan's infrastructure investments in Southeast Asia supports Strange's (2015) theoretical framework.

Nye's (2004) soft power theory emphasizes the capacity of economic attractiveness to create influence without coercion. Japan's educational assistance and cultural exchange programs are consistent with Nye's (2004) soft power conceptualization. However, our findings show that economic instruments do not always create soft power, and under certain conditions can transform into structural dependency and constraint mechanisms.

Moravcsik's (1997) liberal intergovernmentalist approach explains how economic integration leads to political convergence. The transformation of economic investments into security alliances observed in the Vietnam and Thailand cases supports Moravcsik's (1997) theoretical predictions. However, Moravcsik's (1997) approach does not sufficiently emphasize the asymmetric power relations created by economic integration.

### **Theoretical Evaluation of the Bargaining Power Enhancement Mechanism**

The ninety-two percent confirmation rate of the mechanism of enhancing bargaining power in international negotiations supports Morgenthau's (2006) power politics theory. Morgenthau's (2006)

proposition that national power is closely related to economic capacity is confirmed through the Brexit negotiations case. The European Union's economic magnitude was the determining factor in the negotiation process.

Knorr's (1975) analysis of economic power and international influence systematizes the conditions for using economic instruments in bargaining processes. Knorr's (1975) power concept analysis emphasizes the role of intermediate variables in the transformation of economic resources into political influence. This theoretical framework reveals that economic magnitude alone is not sufficient, but rather the combination of transformative mechanisms, institutional capacity, and political will is necessary.

Hirschman's (2018) concept of asymmetric dependency shows that imbalances in mutual trade create power hierarchies. The trade asymmetry in Brexit negotiations confirms Hirschman's (2018) theoretical predictions. However, an unexpected finding is that economic magnitude does not always create absolute bargaining advantage under all conditions.

Waltz's (1979) emphasis on material power argues that economic capacity determines position in the international system. Our findings, while supporting Waltz's (1979) structural realism framework, also reveal the importance of political will and strategic resistance. The Iran nuclear negotiations case shows that economic pressure creates incentive to come to the negotiating table.

### **Theoretical Evaluation of the Economic Dependency Constraint Mechanism**

The ninety-seven percent confirmation rate of the mechanism by which economic dependency constrains foreign policy autonomy is the highest among the six mechanisms. This finding indicates that economic dependency is the strongest constraining factor. Keohane and Nye's (2011) concept of vulnerability dependency provides the theoretical foundation for this mechanism. Vulnerability refers to structural weakness that persists even after policy changes.

The case of Germany's dependency on Russian natural gas concretizes Keohane and Nye's (2011) theoretical framework. The gradual increase in energy dependency over more than a decade and its reflection on foreign policy preferences demonstrates the explanatory power of the vulnerability concept. Hirschman's (2018) proposition that high trade concentration creates strategic vulnerability is confirmed by this case.

Krasner's (1985) structural conflict theory explains how developing countries' commodity dependency narrows foreign policy options. Krasner's (1985) thesis that Third World countries are in structural conflict with the global liberal order emphasizes the systemic effects of economic dependency. Pakistan's multiple dependency on China (Small, 2020) demonstrates the interaction of different types of dependency.

Strange's (2015) structural power theory shows that dependency stems not only from material resources but also from structural position. South Korea's technological dependency on critical chemicals in semiconductor production supports Strange's (2015) theoretical framework. This finding emphasizes that unidimensional dependency analyses are insufficient and multidimensional evaluation is necessary.

### **Theoretical Evaluation of the Sanctions Vulnerability Mechanism**

The ninety-three percent confirmation rate of the mechanism of vulnerability to sanctions and embargo risks is relatively lower compared to other mechanisms. This finding reveals that the effectiveness of sanctions shows significant differences according to the structure of the target state. Baldwin's (2016) economic statecraft theory explains the use of negative sanctions as coercive diplomacy instruments.

The comparison of Russia and Venezuela cases demonstrates the importance of conditional factors determining sanctions effectiveness. Kindleberger's (2013) hegemonic stability theory, while discussing the role of economic sanctions in the international system, emphasizes the backfire effects of sanctions. The adaptation mechanisms observed in the Russia case support Kindleberger's (2013) theoretical predictions.

In Baldwin's (2016) analysis of sanctions success conditions, the breadth of the enforcing coalition, the target country's economic structure, and the presence of alternative trading partners are critical factors. The devastating consequences of the Venezuela case show how single-product dependency and international isolation increase sanctions effectiveness (Martin, 1992). Russia's capacity for economic diversification and building alternative networks has strengthened sanctions resistance.

Waltz's (1979) emphasis on states' survival motive and self-help capacity explains target countries' adaptation mechanisms. The alternative strategies Russia developed against sanctions support Waltz's (1979) structural realism framework. This finding reveals the necessity of considering not only the power of the enforcing coalition but also the structural characteristics of the target country when evaluating sanctions effectiveness.

### **Theoretical Evaluation of Inter-Mechanism Interaction**

Complex interactions and synergistic effects exist among the six mechanisms. The strong causal relationship between trade diplomacy and economic dependency confirms Hirschman's (2018) process of trade concentration transforming into vulnerability. The complementary relationship between financial power and strategic investments reflects the interaction of different dimensions of Strange's (2015) structural power theory.

Strange's (2015) four-structure analysis (production, finance, security, knowledge) explains how inter-mechanism interactions operate. Economic dependency plays a central role and directly affects the effectiveness of other mechanisms (Strange, 2015). Keohane and Nye's (2011) interdependence theory provides analytical tools for understanding the asymmetric outcomes of these interactions.

China's Africa policy and the United States' Iran policy demonstrate that using multiple mechanisms produces powerful results (Blackwill & Harris, 2016). These cases support Gilpin's (1981) proposition that great powers integrate economic instruments to serve strategic objectives in an integrated manner.

### **Theoretical Evaluation of Unexpected Findings**

Three important unexpected findings add nuance to the existing literature. First is that economic dependency does not always lead to political concessions and that target countries develop resistance capacity. The Iran case shows that alternative mechanisms have been developed despite intensive sanctions (Bajoghli, Nasr, Salehi-Isfahani & Vaez, 2024). This finding supports Waltz's (1979) emphasis on states' survival motive and self-help capacity.

Second is that great economic power does not always create bargaining advantage and the balancing role of institutional factors. This finding adds nuance to Morgenthau's (2006) material power emphasis. Keohane's (1984) proposition that international institutions facilitate cooperation explains how institutional factors can soften power asymmetries.

Third is that comprehensive sanctions fail to produce expected effects and target countries' adaptation capacity. This finding contributes to Baldwin's (2016) sanctions effectiveness literature. The

target country's structural characteristics, economic diversity, and alternative networks are determining factors of sanctions outcomes.

## **Evaluation of Theoretical Synthesis**

The synthesis of structural realism, interdependence theory, and structural power theory has been successful with an average confirmation rate of ninety-four point five percent. Waltz's (1979) proposition that economic capacity determines position in the international system, Keohane and Nye's (2011) thesis that asymmetric relationships create power dynamics, and Strange's (2015) emphasis on the criticality of controlling global structures have been confirmed by the findings.

The original contribution of this synthesis is its treatment of the material resource dimension of economic power (structural realism), the relational asymmetry dimension (interdependence theory), and the structural control dimension (structural power theory) within the same analytical framework (Barnett & Duvall, 2005). Each theoretical tradition illuminates a different dimension of the phenomenon, and their synthesis provides holistic understanding.

While Mearsheimer's (2014) offensive realism approach emphasizes states' motive to maximize their economic power, our findings show that economic capacity also allows for different strategic preferences and cooperation models. While Moravcsik's (1997) liberal intergovernmentalist approach emphasizes the peaceful effects of economic integration, it does not sufficiently consider the power hierarchies created by asymmetric dependency.

Cox and Sinclair's (1996) neo-Gramscian approach emphasizes that hegemonic arrangements are sustained not only through material power superiority but also through consent production and ideational legitimacy. However, as seen in the Greek case, financial hegemony creates structural necessity rather than consent production (Cox & Sinclair, 1996). This finding requires reevaluation of hegemonic sustainability mechanisms.

Oatley's (2022) international political economy framework emphasizes the inseparable unity of economic and political processes. Our findings, while supporting Oatley's (2022) integrated approach, systematically reveal the complex causality mechanisms of the geopolitical consequences of economic instruments.

## **Original Contribution of Findings to the Literature**

The research findings offer original contribution to the literature at three levels. At the theoretical level, a synthesis has been developed that systematically combines the strengths of different theoretical traditions. Hirschman's (2018) asymmetric trade theory, Keohane and Nye's (2011) interdependence theory, Strange's (2015) structural power theory, and Baldwin's (2016) economic statecraft theory have been integrated within the six-mechanism framework.

At the empirical level, comparative analysis of five critical cases has concretized the operation of mechanisms in different contexts. The Germany-Eastern Europe, Greece, Japan-Southeast Asia, Brexit, and Russia-Venezuela cases have provided systematic comparison of mechanisms that have been addressed in fragmented form in the literature.

At the methodological level, the combined use of systematic document analysis and comparative case study has provided the opportunity for both in-depth understanding and producing generalizable findings. The analytical framework developed within the qualitative research paradigm offers testable propositions for future research.

## **7. Conclusion and Recommendations**

This research has sought to answer the question of through which specific mechanisms, to what extent, and under what conditions economic power parameters shape states' foreign policy capacities. A systematic analysis of the transformation processes through which economic parameters such as gross domestic product, foreign trade volume, foreign exchange reserves, foreign direct investment capacity, and technology production capability are converted into diplomatic effectiveness has been conducted. Content analysis of twenty-two fundamental sources and comparative examination of five critical cases were performed using systematic document analysis method within the qualitative research paradigm.

### **Summary of Main Findings**

The six components of the research hypothesis, consisting of three fundamental mechanisms and three constraining factors, were confirmed at an average rate of ninety-four point five percent: creating influence through trade agreements (ninety-eight percent), economic dependency limiting autonomy (ninety-seven percent), increasing voting weight in international financial institutions (ninety-six percent), strengthening alliances through strategic investments (ninety-four percent), vulnerability to sanctions (ninety-three percent), and enhancing bargaining power (ninety-two percent). This high confirmation rate empirically demonstrates that economic power is a determinant of contemporary foreign policy and shows that economic dependency relationships systematically limit strategic autonomy in a structural manner.

The reduction of two hundred thirty-eight initial codes in content analysis to forty-seven subcategories through axial coding and to six fundamental mechanisms through selective coding revealed the systematic structure of the phenomenon. Comparative analysis of the United States-Iran, China-Belt and Road, Germany-Russia, Japan-Southeast Asia, and Saudi Arabia cases demonstrated the operation of mechanisms in different contexts. The geographical diversity of cases and their representative capacity in terms of economic power levels and political systems strengthened the generalizability of the findings.

### **Theoretical, Empirical, and Methodological Contributions**

The theoretical contribution of the research is based on the synthesis of structural realism, interdependence theory, and structural power theory. This synthesis enabled the integration of the material resource dimension, relational asymmetry dimension, and structural control dimension of economic power within the same analytical framework. The systematic categorization and operational definitions of the six mechanisms transcended fragmented approaches in the literature and produced testable propositions for future research. The multidimensional nature of economic dependency (trade, finance, technology, energy) was empirically demonstrated, and the interaction patterns of these dimensions were analyzed. The findings revealed that dependency types reinforce each other and qualitative changes occur when threshold values are exceeded.

The empirical contribution of the research was provided through in-depth and comparative analysis of five critical cases. The finding that the effectiveness of economic instruments depends on the structural characteristics of the target country, international context, and temporal factors is of critical importance for policy design. Unexpected findings include that economic dependency does not always lead to political concessions, that large economic power does not provide absolute bargaining advantage, and that comprehensive sanctions may not produce the expected effect. These findings show that the economic power-foreign policy relationship is characterized by complex feedback loops and contextual factors rather than simple linear causality.

## Social Impact and Social Consequences

It should be understood that economic dependency relationships directly affect not only interstate relations but also the daily lives of citizens. The increase in unemployment rates due to austerity policies implemented during the Greek crisis and the multiplication of the population falling below the poverty line demonstrate the human cost of economic diplomacy instruments. Energy dependency increasing energy prices forces low-income families to cut food and health expenditures due to heating and electricity bills. The impact of trade diplomacy on labor markets creates social tension through limited local employment and weak job security standards.

The disproportionate burden that economic sanctions place on civilian populations and their failure to achieve regime change raises questions about how the international community uses economic instruments. The imbalance in voting weight in international financial institutions results in developing countries having limited voice in shaping development policies. Technology dependency creates concerns about data security and privacy protection. In the context of climate change, dependency on renewable energy technologies reveals the necessity of achieving green transformation in a fair and inclusive manner.

## Policy Recommendations

Based on research findings, policy recommendations are structured across three time horizons.

**In the Short Term (One to Three Years):** States should ensure that trade volume concentration does not exceed twenty percent in any single country. At least three alternative suppliers should be maintained for critical goods imports, and strategic reserves should be increased to a level covering six months' needs. Early warning systems should be established and economic dependency indicators should be regularly monitored. Indicators such as trade concentration, import dependency, external debt levels, and foreign exchange reserve adequacy should be evaluated on a quarterly basis, and policy responses should be triggered when threshold values are exceeded. Backup production capacity should be created in critical sectors, and supply chain transparency should be increased.

**In the Medium Term (Three to Ten Years):** Dependency-creating agreements in technology transfer should be avoided, and the critical threshold of sixty percent should be reached in domestic production. It is recommended that the level of regional integration be increased from forty percent to sixty percent. Research and development expenditures should be increased to three percent of gross domestic product, and university-industry cooperation should be strengthened. Incentive programs should be created for skilled human resources, and brain drain should be prevented. Technology clusters should be formed, and the innovation ecosystem should be supported. Public procurement should be directed toward domestic technology production.

**In the Long Term (Ten Years and Beyond):** The economic diversification index is targeted to be increased from zero point seventy to zero point eighty-five. Foreign dependency in digital infrastructure should be reduced below fifty percent, and the share of renewable energy should be increased to forty percent. Institutional capacity building should be a priority, and policy consistency should be ensured. Coordination among state institutions should be strengthened, and strategic planning capacity should be increased. Sustainable partnerships should be established between the private sector and the public sector. Social consensus should be achieved, and long-term goals should become a supra-party policy area.

For private sector actors, geographical diversification in the supply chain, domestic research and development investments that will reduce technology dependency, and public-private partnerships in strategic sectors are recommended. Risk management mechanisms should be strengthened, and scenario

planning should be conducted. Sustainability and social responsibility principles should be integrated into supply chain management.

For international organizations, regulation of economic pressure instruments, increase in representation rights of developing countries, and fair sharing mechanisms in technology transfer are recommended. Updating the voting weight distribution of international financial institutions and making decision-making processes more transparent are of critical importance for systemic stability. Methods based on not harming civilian populations should be developed in sanction design, and human rights monitoring should be strengthened.

For civil society organizations, monitoring the social impacts of economic dependency and strengthening transparency mechanisms are of critical importance. Public oversight mechanisms should be developed, and citizen participation should be increased. Social impact assessment of economic policies should be conducted, and vulnerable groups should be protected.

### **Future Research Recommendations**

Future research recommendations for the academic community focus on the following topics: the potential of digital currencies to transform financial hegemony mechanisms, the capacity of artificial intelligence to restructure production chains, the effects of cyber attacks on economic infrastructure, the redefinition of resource distribution by climate change, supply chain resilience under pandemic conditions, the geopolitical consequences of global value chain restructuring, the rise of economic nationalism and its effects on international cooperation, the formation of regional economic blocs and their effects on global governance.

Methodologically, mixed-method designs should be developed. Supporting qualitative analyses with quantitative data will enable both in-depth understanding of causal mechanisms and testing the generalizability of findings. It is recommended that the number of cases be increased and time series analyses cover the long term. Causality relationships should be tested more clearly using experimental and quasi-experimental designs. The structure and dynamics of global economic dependency networks should be analyzed using network analysis methods.

### **Limitations of the Research**

The limitations of the research are as follows: the secondary treatment of non-state actors, exclusion of cultural and ideological factors from analysis, failure to examine leader-level decision-making processes, use of only Turkish and English sources, the cross-sectional research design making precise determination of causality direction difficult, the temporal scope of the research being limited to the post-Cold War period, the focus on powerful states in sample selection. These limitations should be taken into account when interpreting the findings and should be addressed in future research. The role of multinational corporations, international organizations, and civil society organizations, the impact of cultural and ideological factors, the determinacy of leadership characteristics, literature in different languages, and the strategies of small states should be addressed as separate research topics.

### **Conclusion**

This research has demonstrated that economic power parameters systematically shape foreign policy capacity through six fundamental mechanisms. It has been established that economic dependency relationships structurally limit foreign policy autonomy. The average confirmation rate of ninety-four point five percent shows that the hypothesis has received strong empirical support. The synthesis of structural realism, interdependence theory, and structural power theory has provided the analytical depth to explain the multilayered nature of the phenomenon.

The most important theoretical finding of the research is the multilayered nature of economic power. Material resources are necessary but not sufficient. These resources need to be transformed into relational asymmetries and institutionalized through structural control mechanisms. The findings show that economic resources do not automatically create political effect, and that this transformation requires strategic use, institutional capacity, and political will.

In a multipolar system where economic competition is intensifying, technological transformation is creating new dependencies, and climate change is redefining parameters, the theoretical and practical value of these findings is increasing. In a period where trade wars are becoming widespread, sanctions are being used as weapons, and economic armament is accelerating, states' capacity to protect their economic autonomy has become the fundamental determinant of their strategic independence.

While the research makes an original contribution to the international relations literature, it proposes concrete and applicable strategies for policymakers. The findings have provided an integrated analytical model by transcending fragmented approaches in the literature, and the systematic categorization of six mechanisms has created a solid analytical foundation for future research. The methodological contribution of the research is demonstrating that the combined use of systematic document analysis and comparative case study provides the possibility of both in-depth understanding and producing generalizable findings.

The most important conclusion of the research is this: Economic power is the determinant of twenty-first century foreign policy, and the preservation of economic autonomy is the prerequisite for strategic independence. The economic capacity that states possess directly shapes not only their welfare levels but also their position in the international system, their diplomatic maneuvering space, and their geopolitical choices. Considering the effects of economic diplomacy on peace and stability, the responsible, ethical, and sustainable use of economic instruments by the international community is of vital importance for future generations.

Finally, this research emphasizes the dynamic and evolving nature of the economic power-foreign policy relationship. Mechanisms evolve over time, new technologies create new forms of dependency, and the shift in global power balances transforms the effectiveness of economic power instruments. Mega trends such as the digital economy, artificial intelligence, climate change, and pandemics require continuous updating of the concept of economic power. Future research is expected to follow this dynamic process and update findings in light of new developments.

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