

# Cybersecurity Economics: A Cross-Country Evaluation of Bulgaria and Croatia

**Kara Westerfield**

*University of Dubrovnik, Croatia*

## Abstract

Cybersecurity incidents intensify year after year across industries globally. An acceleration of digital transformation was borne because of the coronavirus pandemic. While countries and businesses quickly adapted to operating in the digital economy, the rapid transition presented as a vulnerability to cyber criminals. Scholars attempting to address cybersecurity vulnerabilities often do so from a technical perspective. This perspective neglects to address the threat to the economic factors that both influence decision making and affect the performance of a country. Such factors include externalities and incentives. The objective of this article is to evaluate the barriers, challenges, and opportunities on the topic of cybersecurity economics in Bulgaria and Croatia. The cross-country evaluation research uses academic literature from 2018 to 2024 and data analysis from public reports and indices from Europe. The comparison shows differences between Bulgaria and Croatia in digital transformation, economic structures, and their levels of cybersecurity awareness, capacity, and maturity. The article contributes to an emerging field by heightening awareness of cybersecurity through an economic perspective, which can influence a country's ability to improve its competitiveness and resilience through policies.

**Keywords:** cybersecurity; economics; externalities; incentives; policies