

Intelligence for competitiveness and national security in the knowledge society (2)

A short benchmarking analysis on the creation of a Romanian national intelligence system

Marian SEBE

„Mihai Viteazul” National Intelligence Academy
ms.oscsint@gmail.com

Abstract

With the transition to the knowledge economy, the value of all social, organizational and individual entities is directly dependent on its intellectual and knowledge capital. Unfortunately, the majority of decision-makers focus too much on the tangible assets, almost to the point of ignoring the intangible ones.

However, in order to successfully navigate this world, where the global is directly connected to the local it is essential, to first understand the interaction between certain key-concepts, such as politics, economy, knowledge, intelligence, strategy, competitiveness and security.

In the new evolution paradigm knowledge means value, while intelligence means power, that is why the paper analyzes the evolution of national intelligence systems in an attempt to shed some light on the interaction models employed at international level, which can then be adapted and re-configured to fit the necessities of developing countries, willing to engage in such a national endeavor.

To develop a national intelligence model applicable for Romania, the study employs benchmarking analysis to compare the structure and performance of various national intelligence systems and extract those structural elements that fit the overall approach to continuous improvement. To insure the efficiency of the results, we have selected for the comparison leading examples of national intelligence systems: the US, France, Great Britain, Canada and Germany.

The analysis resulted in a set of guidelines and best practices that, after integration can be used to elaborate a blueprint for the development of a Romanian national intelligence system by both decision-makers and representative of the academia and private sectors. This research product is by no means comprehensive, as there are many other case studies that could and should have been included in the benchmarking analysis, in order to create a full picture of the

overall evolution undergone by states in the process of developing national intelligence systems. Though the issue of national intelligence system has been debated before, both in the academia and at governmental level, as proven by the existence of the Carayon Report and the works of Robert Steele, this has always occurred in large states, with a strong tradition in the field. The originality of this paper is that it uses benchmarking to try to understand the processes taking place in all those places and then extract key elements and patterns that then can be re-adapted and replicated for a different type of state, such is the case of Romania.

Keywords: national intelligence model, competitiveness, national security, Knowledge Society, knowledge capital

Reflections on the Comparative Analysis of the National Intelligence Systems

The comparative analysis of several national intelligence systems has underlined the fact that these systems have been built in a systematic manner, having a distribution compatible with the knowledge society through informational networks (Dedijer, 1984, p. 18-37). The institutions and organizations, the structures and means are organized in a network model and collaboration mechanism are set in place for national security issues, which are understood in a trans disciplinary and integrated fashion.

There are two fundamental conclusions, which can be drawn out of this analysis:

The first one regards the interoperability among the components, which shape the national intelligence system. This interoperability is insured both through a formalized procedural framework of inter-relation and through the existence of a mental profile which is compatible and complementary (at the informal level) at the level of the human resources employed by the organizations and institutions, which are part of the system. In this way, the human resources become a human capital, which is incorporated in the national intelligence system.

The second conclusion refers to the manner in which the components of the national intelligence systems can be grouped:

- institutions holding public accountability, with an executive or legislative role (president-monarch, government, parliament);
- institutions holding public accountability, which, legally speaking, play a role in defending national security (intelligence services as well as other military institutions) – the intelligence community in its narrowest sense;

- institutions and organizations which manage knowledge production at societal level (universities, research institutes, think-tanks);
- institutions and organizations that do not hold formal public accountability and act only on the basis of economic performance criteria, representing the environment that must generate the welfare of the respective society on the basis of ethical principles and mechanisms that regulate knowledge capitalization.

By grouping the institutions on these four dimensions, we can design a model for a so-called virtual entity entitled the new National Intelligence Distributed System/OSINT, comprising all the main public and private institutions of a state, which have adapted to the requirements of the knowledge society and knowledge economy.

The system should be designed in such a way so as not to be dependent on individuals, but on the formal and informal framework, used by the people working for the institutions and organizations, which are part of the system, to interact in order to insure national security. Only then can we speak of the existence of a time invariant set of identity values for that society.

The informal framework is based on the existence of a common knowledge horizon in the field of intelligence and national security, in what concerns human resources and the administration, management and leadership processes by which this resource is transformed into human capital.

The formal framework is related to the creation of a setting in which the defining principles of a state, the criteria which form the basis for its legal framework, the legal framework itself would allow the strengthening of the formal network of the national intelligence system. In this manner, the informal and formal aspects can be integrated organizationally, as well as the human capital-related processes.

This proposal aims to define and design the informal framework and shape the common knowledge horizon at the level of the individuals and institutions, eligible to become part of the formal framework. Implementing such an informal framework is a process, which required ad-hoc organizational constructions, which would need to be integrated in the final formal framework.

An example in this respect is the Swedish I&S system/community, as reflected in Stevan Dedijer's studies.

How to achieve this goal?

By analyzing the state of affairs at international level, we can see that all initiatives aimed at redesigning national intelligence systems have lasted several years, starting with an in-depth analysis, followed by a multi-annual implementation process, which employed flexible platforms enabling

organizational adaptability. Given the current situation, it is difficult to believe, Romania will be able to avoid the complexity of this process as well as its direct consequences, namely the large consumption of time and financial resources.

Therefore, when starting a formal design process at state level it is necessary to first establish a decision-making framework, which would enable the leadership to maintain its control over the entire project and set a strategy, which through a rational budgetary allocation would enable the first operational steps to be taken. Moreover, this decision-making framework should not only ensure the unitary character of the systemic knowledge in terms of security but also insure the selection and implementation of efficient formal design methods at the level of inter and intra-institutional connections.

The intelligence culture/OSINT represents a key feature of this model, which should be understood as a new dimension¹ of the nation-state, through which, in the context of democratic values, a new type of cohesion between the military, private and civilian sectors is being built. The integration of the security, governance, knowledge and corporate segments enables the state to gain control over the processes of acquiring sustainable competitive advantage.

In order to understand the role of this design we must review, study and understand the following key events at least:

- ❑ Wilensky's theory that established integration among the corporate and governance dimensions as a necessary precondition for ensuring sustainable competitive advantage (organizational intelligence theory, 1967);
- ❑ Dedijer's theory² on how the integration of the security and knowledge dimensions (the "social intelligence"³ concept) provides support for the

¹ Characteristic for the 21st century: the transition from the Information Society to the Network Society given the complexity of globalization, through the management of regional and local security.

² The Economic Intelligence approach promoted in the French community is inspired particularly from Dedijer's framework e.g. Philippe Clerc, *Economic Intelligence*, p. 304-317 in *World Information Report 1997/1998*, UNESCO, www.unesco.org/webworld/wirerpt/wirenglish/chap22.pdf; N. Moinet (2010), *Petite histoire de l'intelligence économique: Une innovation "à la française"*, Paris: L'Harmattan.

³ S. Dedijer (1982), *Transnationals, Intelligence and Development. Looking beyond Informatics to Social Intelligence*, International Foundation for Development Alternatives,

corporate dimension (the “business intelligence” concept (Dedijer, 1999, p. 67-78), which completes the conceptual framework on competitive intelligence (Dedijer, 1998, 66-68); and the Swedish model (Dedijer and Hedin, 1993) of intelligence & security system/community (2003);

❑ Kotler and Singh’s work (1981), which identified as a premise for integration, the security dimension positing political marketing as its support field; (Kotler and Singh, 1981, p. 30-41)

❑ Steele’s initiative (1996) which saw integration on the basis of knowledge among all components through the idea of a smart nation, where the citizen becomes an intelligence customer (Steele, 1996, p. 159-173.).

These are the most important moments in the process of designing the new system. On the other hand, no design process of any national intelligence/OSINT system can ignore those theories; on the contrary, they develop them by adapting them to their national context. Nowadays, we witness a conscious effort to transform these separate conceptual frameworks into a theory of intelligence;

The Romanian case

Romania’s EU Membership makes it imperative for it to design its own national intelligence system in accordance with the significance that these words - intelligence and integration - have in a NATO and EU context. Therefore:

The isolationist and fractionalized behavior practiced by the institutions which must be part of the national intelligence system architecture is incompatible with the working environment practices in the cases analyzed before. To gain credibility in an inter-state framework, the collaborative feature of information, knowledge and intelligence must first and foremost be applied to the country’s institutions. The domestic consequences of such a behavior are the lack of a national intelligence community meeting the standards adopted by the partners. But this type of behavior is only an effect. The cause lies in the intellectual chaos present in the collective brain and memory of the institutions’ managers, who must

29 (May/June), p. 15-24; S. Dedijer (1983), Science transfer versus technology transfer, International Foundation for Development Alternatives, 36 (July/August), p. 30; S . Dedijer (1985), Social Intelligence for Self-Reliant Development, International Foundation for Development Alternatives, p. 49-52.

ensure the knowledge and implementation dimension at national level. Among the causal factors we can identify the following fundamental elements that are required by any democratic state:

- the absence of a national security strategy for 8 years after the Romanian Revolution;
- lack of coordination between the main institutions (Presidency, Government and Parliament) as a result of the lack of a strategy;
- the human resource lacks the necessary skills in the field of strategic management, strategy, strategic planning, national intelligence, strategic intelligence, economic and competitive intelligence;
- lack of a national intelligence strategy;
- lack of a national intelligence doctrine (there is one from 2004, but it lack essence and clarity; it is not in accordance with NATO doctrine);
- absence of a Romanian equivalent to the concept of intelligence in the theory and practice of intelligence agencies;
- lack of an intelligence doctrine for each of the main intelligence agencies;
- lack of a legislative framework in the field of security and intelligence adapted to the Romanian context and the requirements of the Knowledge Society.

Inside the Euro-Atlantic system there was a diffusion of the necessary principles and criteria for the transformation of the information culture into an intelligence culture through activities centered on the OSINT concept, formulated by Robert Steele (in the period 1993-2003). In addition to the European solutions for this problem identified by Stevan Dedijer in Sweden (Dedijer, 2003) we can also mention the steps taken by France in accordance with the ideas formulated by the Martre (1994) and Carayon Reports (2003), which have helped France design an unique national intelligence system.

Although nobody has openly expressed Romania's necessity to build a national intelligence system, it is important to note that in the competitive environment of the EU or of the "global village" all those competing in different fields, such as the attraction of European funds are interested in maximizing their chances knowing that at least one of their competitors is unprepared. Romania has encountered this type of circumstances before, for example it was not invited to join the Visegrad group as the other countries were interested in sharing the common budget between fewer members.

A correct assessment of the significance borne by the intelligence field is a necessary precondition for the governing potential, which conditions the acquisition of competitive advantage. On one hand, any delay in making this assessment leads to a serious national handicap in producing human capital and in gaining, through the creation of a national intelligence system, a competitive advantage. On the other hand such a delay eliminates almost any possibility of transforming the information culture into an intelligence culture. The reasons for this is that a culture cannot be transformed during the mandate of a certain political or corporate elite, being a process of political innovation that must be undertaken at state level. Although, in the last years we have witnessed some isolated attempts to promote academic and civil components of the intelligence culture in Romania (at least one Romanian university and NGO have been conducting such an effort starting with 1998), these disparate efforts could and did not create the critical mass required for a nation-wide transformation. Moreover, any initiative to begin such a transformation process is faced with a serious challenge that of identifying factors which could accelerate the process, as, given the obstacles ahead, one year in the near future is not the same as a year from the time when open systems & sources and knowledge management concepts were being implemented in the Euro-Atlantic area.

The acceleration factors can function coherently and in harmony with an objective only so far as Orientation is not lacking (Boyd, 1976). It would be pointless to pretend that policies defending the national interest are a corollary of other policies, be them European as long as Jacques Delors⁴ himself explained the logic behind organized hypocrisy⁵. In short,

⁴ Initially the project was carried by the enthusiasm of the post-war and then by an elitist project that was economic. Simply, as Europe is not a federation like the United States, to live through democracy it is through the national governments. But if they decide to talk about Europe today as they were in the Congress of Vienna two centuries ago, then there is nothing to do. You cannot make Europe against the governments, yet they are far from enthusiastic about Europe at present.' Cf. Jacques Delors' interview on the future of Europe/European integration, "Europe needs a 'soul'", November 10th, 2010; available at http://www.europarl.europa.eu/news/public/story_page/002-85429-286-10-42-901-20101006STO85428-2010-13-10-2010/default_en.htm

⁵ The explanation for "organized hypocrisy" can be found in N. Brunsson (2007), *The Consequences of Decision-Making*, New York: Oxford University Press Inc., p. 111-134.

the responsibility of Romania's national interest does not admit 'outsourcing', while on the other hand, the organized hypocrisy of the Romanian elite is more devastating than any external factor.

The governing elite should have tried at least to identify these types of problems (something which happened in France) as it was charged with national responsibility, for the time when the meaning of this concept was being built inside the EU (1999-2004). In addition, the delay in starting the intelligence development process led to a lack of intellectual capital, which Romania sorely feels up to his day.

The mental map of the elite is not in line with the system "research - education - operation". In our culture we are missing the meaning of research and the importance it has in our economic life. We have in command a lot of practitioners, and they are not the leaders we need in knowledge and economic society.

In other words, it is naive to believe that somebody working eight hours a day on different issues could have the physical time required to successfully complete even the documentation phase of any research process. Research is not a hobby and cannot be conducted as an additional burden to daily tasks. The result of conceiving the research activity in such a manner has led to a fractionalized research system, which similarly to the education system has been perceived as a trifle in comparison to "practical activities". It is not by chance that one of the studies dedicated to the creation of an intelligence culture, which has preceded by a decade the institutional creation necessary for its implementation is dedicated to the research methodology in intelligence and begins by eliminating a common misunderstanding⁶. In reality, we can only achieve Orientation if we adopt, what is now called "research-led education" and the principles by which this

The problem is not to accuse somebody on ethical or moral grounds but to apply defensive intelligence techniques after the evaluation has placed a certain event in such a framework.

⁶ "the idea that the object of research is new knowledge does not seem to be widely understood and 'a schoolboy looking up the meaning of a word in the dictionary is now said to be doing research'. Indeed, it has been debased even further. Research is frequently used to describe reading by those to whom reading, apparently, is a research activity, and for many a graduate student it is a euphemism for wholesale plagiarism. The work needs a rest or at least less promiscuous handling", in J.K. Clauser, S.M. Weir (1975), *Intelligence Research Methodology. An Introduction to Techniques and Procedures for Conducting Research in Defense Intelligence*, Defense Intelligence School, Washington D.C., p. 30.

takes place. Otherwise we get something completely different, whose negative effect are easily spot in today's Romania.

What is currently missing in Romania is precisely this type of Orientation. Today the Romanian system is filled with "practitioners" that have no understanding of complex issues and take for granted the results of studies written by foreign authors without attempting to increase their knowledge; in the best case they enhance the volume of information they possess without increasing their knowledge, as this requires another type of Orientation. To sum up, they lack an Orientation in harmony with the idea of research, which they cannot possess without fully changing their mentalities. To achieve this they should return to the inner meaning of Benjamin Franklin's words "true merit" and "true learning" from his 1747 speech (Franklin, 1976, p. 256-261).

The continuous embrittlement of the education system for the past 24 years in parallel with the fracturing of the ties between the fundamental and applied research places Romania in the situation to redesign its system from scrap in a significantly more complex context than any of those faced by the states analyzed above.

The mentality of those inhabiting the Romanian corporate environment does not have the slightest connection to the mentality of the corporation environment in the countries that have built such systems, although the social responsibility of the first is infinitely greater than that of the latter, as they have gained their current status by appropriating the properties of the Socialist state during the transition period.

The greatest error that anyone could make in what concerns the creation of a national intelligence system, in the meaning given by Shotwell, is to try to copy a foreign system as some have tried irresponsibly, thinking it would be easier or more practical this way. It is important to mention here that simplicity requires an understood complexity (Bunge, 1962, p. 113-135), and rarely can this aspect be ignored without significant consequences.

The purely reactive mentality to the importance of the intelligence culture inside the integration process raises serious concerns and makes the education system the only available starting point for this initiative - which requires at least five years to mature. Only through these types of processes can we transform the mental framework of those possessing the skills

required to deal with the complex challenges of the modern world.

This type of integration is necessary if we are to successfully *understand*, as the negative consequences of faking understanding can be easily observed today in various fields. The question we must pose ourselves today is: what type of position do we want to occupy in the future and especially where?

The only way to introduce a new national intelligence system in Romania is through the implementation of a concept that would offer a solution in the shape of an adaptive architecture. A rigid approach would only lead to a creation, which would seem adequate today but on the long run it would lead us to a completely different direction than we intend to go as a result of its poor employment of resources.

This paper does not employ the words revolution, reform or re-invention as in the core of the aforementioned ideas is the concept of adaptive mechanism. The adaptive mechanism must be understood, identified, defined and implemented by skillful people and not necessary practitioners as adaptation is a rationalization process by its nature. In this field of intelligence culture, as long as its identity is respected, it is wisdom (Andregg, 2003) that rules and not action.

Bibliography

1. Andregg, M. M. (2003, February 28th) How 'Wisdom' Differs from Intelligence and Knowledge, *Intelligence Studies section of the International Studies Association Conference*, Portland, USA.
2. Barger, D. (2005) *Towards a Revolution in Intelligence Affaires*, RAND Corporation, National Security Research Division. [Online]. Available from http://www.rand.org/content/dam/rand/pubs/technical_reports/2005/RAND_TR242.pdf [Accessed: 10th January 2014].
3. Boyd, J. R. (1976) *Destruction and Creation*, US Army Command and General Staff College, [Online]. Available from http://goalsys.com/books/documents/DESTRUCTION_AND_CREATION.pdf [Accessed: 10th January 2014].
4. Bunge, M. (1962) The Complexity of Simplicity. *The Journal of Philosophy*. 59(5). p. 113-135.
5. Carayon, B. 2003 "Intelligence Economique, competitivite et cohesion sociale", Paris: La Documentation française,, [Online]. Available from <http://www.ladocumentationfrancaise.fr/var/storage/rapports-publics/074000410/0000.pdf>. [Accessed: 10th January 2014].

6. Clauser, J. K. and Weir, S. M. (1975) *Intelligence Research Methodology. An Introduction to Techniques and Procedures for Conducting Research in Defense Intelligence*, Defense Intelligence School, Washington D.C.
7. Countenceau, C., Barbara, F., Everett, W., Gilliéron, A., Jacquin, X., Poullain, M., Valle, C. and De Vigouroux D'Arvieu, E. (2010) *Guide Pratique de l'Intelligence Économique*, Paris: Eyrolles.
8. Dedijer, S. (1984) The 1984 global system. Intelligent systems, development stability and international security. *Futures*. 16(2). p. 18-37.
9. Dedijer, S. (1998) Competitive Intelligence in Sweden. *Competitive Intelligence Review*. 9(1). p. 66-68.
10. Dedijer, S. (1999) Doing business in a changed world: The intelligence revolution and our planetary civilization. *Competitive Intelligence Review*. 10(3). p. 67-78.
11. Dedijer, S. (2002) Ragusa Intelligence and Security (1301-1806): A Model for the Twenty-First Century?. *International Journal of Intelligence and Counterintelligence*. 15. p. 101-114.
12. Dedijer, S. (2003) Development & Intelligence 2003 – 2053. *Working Paper Series*. Lund University: Lund Institute of Economic Research, (10).
13. Dedijer, S. and Hedin, H. (1993) The National Intelligence and Security Community of Sweden, *Second International Symposium: National Security & National Competitiveness*.
14. Delors, J. (2010) Europe needs a "soul". [Online] November 10th, Available from http://www.europarl.europa.eu/news/public/story_page/002-85429-286-10-42-901-20101006STO85428-2010-13-10-2010/default_en.htm. [Accessed: 10th January 2014].
15. Fedanzo, A. (1993) A Genetic View of National Intelligence. *Second International Symposium: National Security & National Competitiveness: OPEN SOURCE SOLUTIONS Proceedings*. volume I. p. 6-14. [Online]. Available from <http://www.phibetaiota.net/1993/12/1993-fedanzo-a-genetic-view-of-national-intelligence/>. [Accessed: 10th January 2014].
16. Franklin, B. (1976) Proposals Relating to the Education of Youth in Pennsylvania. *The Journal of General Education*, 28(3). p. 256-261 [Online]. Available from <http://nationalhumanitiescenter.org/pds/becomingamer/ideas/text4/franklinproposals.pdf>. [Accessed: 10th January 2014].
17. Franklin, B. (2004), *The Autobiography and Other Writings on Politics, Economics, and Virtue*, Cambridge: Cambridge University Press.
18. Kotler P. and SINGH R. (Winter 1981) Marketing Warfare in the 1980s. *Journal of Business Strategy*. vol. 1. Issue 3. p. 30-41.
19. Kulacki, G. (2014) *Defense Science Board off point open source*

intelligence reform, Union of Concerned Scientists. [Online]. Available from <http://allthingsnuclear.org/defense-science-board-off-point-on-open-source-intelligence-reform/> [Accessed: 10th January 2014].

20. Rothberg, N. H. and Erickson, G. Scott (2005) *From Knowledge to Intelligence*, Elsevier,.

21. Steele, R .D. (1996) Creating a Smart Nation: Strategy, Policy, Intelligence, and Information. *Government Information Quarterly*, vol. 13(2). p. 159-173.

22. Steele, R. D. (1996) Smart Nations: Achieving National Security and National Competitiveness in the Age of Information. *Bulletin - American Society for Information Science*. 23, (1). p. 8-10.

23. Steele, R.D. (2000), *On Intelligence: Spies and Secrecy in an Open World*, Fairfax, VA: Armed Forces Communications and Electronics Association.

24. Waltz, E. (1998) *Information Warfare: Principles and Operations*, Boston and London: Artech House Publications.

25. Wilensky, H. L. (1967) *Organizational Intelligence: Knowledge and Policy in Government and Industry*, California: Basic Books.

26. Wilensky, H. L. (2002) *Rich Democracies: Political Economy, Public Policy, and Performance*, California: University of California Press.

Marian Sebe is an Associate Professor at the “Mihai Viteazul” National Intelligence Academy. He was also an Associate Professor at the Faculty of Political Science, University of Bucharest, International Relations Department. His teaching and research activity focuses on strategic intelligence, open source and competitive intelligence. Dr. Sebe has been the Executive Director of one of the first Romanian consulting firms in Business/Competitive Intelligence and Knowledge Management. Starting from 2009 he is the coordinator of several projects in OSINT, B/CI, and intelligence/OSINT education/training programs, being also the facilitator for the trainers, he “trains the trainers” in order to accomplish the main objectives of those programs. Dr. Sebe is a member of the scientific board of the Romanian Journal of Intelligence Studies. He is a member of SCIP – Strategic and Competitive Intelligence Professionals – from 2002 (<http://www.scip.org>).