



The 10th International Scientific Conference
**“DEFENSE RESOURCES MANAGEMENT
IN THE 21st CENTURY”**
Braşov, November 13th 2015



**ECONOMIC INTELLIGENCE FOR AUGMENTING THE
NATIONAL ECONOMIC COMPETITIVENESS**

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Abstract:

The global markets evolution of the last decades have emphasized the significant growth of the ongoing international competition between the economic actors, but mostly between the states. In order to face the challenges of informational asymmetry, each of the players involved resort more and more to the specific instruments of the intelligence activity. The big companies, the multinational firms, have been the first to understand the potential of the information to increase the value of the production factors, and to allow the capitalization of the available resources, in optimal economic circumstances. Afterwards, by taking over their mechanisms and turning them into public policies, the states with advanced economies succeed to obtain and maintain competitive advantages.

In the present global context, it has become necessary that the public authorities should design and implement a national economic intelligence system. If developed as a private-public partnership, that embodies and harmonizes both the interests of the private economic actors, and those of the state, to capitalize resources in an optimal manner, the economic intelligence system has the unique goal of increasing the national economic competitiveness through intelligence.

The economic intelligence implies a three-way approach: to constantly monitor the areas of interest, in order to obtain relevant data about them; to promote its own vision, by launching adequate ideas/behaviours, and interpret them to the benefit of its strategy; to protect the available information/intelligence, in order to counter-attack any attempts to reach it, by the opposite side.

Keywords: Economic intelligence. Economic competitiveness. Economic information. National interest.

1. Introduction

The world's configuration at the end of the Cold War brought up new major challenges, generated by the globalization, as powerful interaction, at global scale, between people, societies and social mechanisms (political, economical, intellectual, social, and so on) or as a way to develop general/generalized interdependent systems.

In this new era, marked by the digital revolution, the global power centers diversified and multiplied, as the actors were extremely different: international institutions which acted in order to impose their supremacy (NATO, EU, etc.), emergent states (Brazil, China, India etc.) that induced confusing evolutions on the world stage, as well as new actors coming from within the civil society (associations, think tanks, NGO's, cyber activists etc.), which, for over 20 years have been acting as participants of the national and/or international stage. The multi-polarity factor is more and more present, even if the USA continue to express their global super-power claims on all levels: military, political, economic, social, cultural etc. or that of important global actor, involved in solving various global issues (beginning with the judicial ones, up to those of environmental protection).

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In this complex and extremely uncertain global context, the relations between the public and private actors coagulate around a more and more obvious reality: the furious competition on all levels (industrial, commercial, technological etc.). The globalization didn't bring with itself the end of the confrontations between the world's great actors, but, on the contrary, it conferred another scale for expressing political and economic ambitions, a growing amplitude of geo-economic and geo-strategic disputes.

On the new international background, the need to identify and use those instruments of preserving national interests has increased significantly, as the highly developed states (Japan, USA, France, Germany, Great Britain etc.) tend to create and strengthen mechanisms of economic intelligence or competitive intelligence at state level. Such systems, created as public-private partnerships, act in order to harmonize the private interests of the economic agents with the national interests of optimal use of resources, everything with a unique goal: increasing economic competitiveness through information.

From this perspective, the economic intelligence proves to be an efficient tool of accomplishing national security, on the economic level, as it allows the management of certain risks aimed at economic security and/or promoting national interests as well (such as ensuring an adequate competitive environment, growing competitiveness of certain economic fields/products, providing access to consumers and its own economic operators to natural resources, in equitable price conditions etc.).

2. Informational needs - tools of the economic intelligence system

The informational society - born together with the developing of new informational and communication technologies - has determined significant changes in the way that economic actors and markets act, inducing numerous challenges which economic actors have to face.

- On the first hand, the **informational overflow** of the last decades, when a simple Internet access ensures a fast and cost free huge volume of information about any desired subject, has generated major concerns within companies (either small or big), in order to identify the mechanisms to ensure their search and selection of the information they need from the immense amount available. The stake here is getting the necessary information to evaluate the context in which they act, from the perspective of digging up opportunities or, on the contrary, problematic elements that turn or risk to turn them less competitive against their competitors. Basically, the implementation of their own development strategies will or will not be successful based on the result of this process of choosing only the opportune data from the informational abyss available at some point, which is often an extremely difficult and time consuming activity.

According to Éric Delbecque and Jean-Renaud Fayol¹, the informational flow has two major characteristics:

- on one hand, the information dissemination speed through networks has increased in a spectacular manner, together with the new technologies (as the development of the optic fiber), which determined important changes at the level of the search and selection tool (methods and techniques) of the necessary data;

- on the other hand, the growth of information vectors makes identifying viable sources very difficult, so that we no longer look at the traditional media, but also at the interactive web systems, with the social networks upfront.

¹ Delbecque, Éric; Fayol, Jean-Renaud, *Intelligence économique*, Magnard-Vuibert, Paris, 2012, p.7.

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Consequently, in order to be competitive, the economic actors have to permanently monitor informational flows in order to obtain the relevant data which can ensure to maintain/to strengthen their position on various markets. In this process, they constantly face an informational overflow, a fact which makes them pay great attention to the numerous challenges of the environment within they act. In order to face these challenges, the actors must know their informational needs or **cognitive needs** very well, as Éric Delbecq and Jean-Renaud Fayol² name them.

They define them as needs to obtain valid and pertinent information, in order to give meaning to the events and strategies of various actors. The cognitive needs of an agent are *permanent* (as far as monitoring the environment is concerned) or *punctual* (when solving actual problems) and they need to be placed in a hierarchy, in order to establish the priorities of searching and using information. The quality of this simple act confers advantages to achieving performance by the economic agents, which are preoccupied with innovation and positioning on favorable levels on the market. Basically, once the cognitive needs have been established, the economic operators try to identify the necessary information and, by consuming an increasingly consistent volume of information/knowledge, they are able to apply their development strategies, with real chances of being competitive.

- At the opposite side lies **the informational asymmetry**, where the central element is connected to the way the uncertainty caused by the various amount of information owned by economic entities is managed. The activities of any market unfold under the auspices of numerous specific factors, some of them with a pronounced random feature (beginning with social and political events and up to macroeconomic decision making), so that the economic operators often use knowledge with various degrees of completion, preciseness and relevance.

The patterns of informational asymmetry assume that at least a party of the transaction owns the relevant information, as there are parties that do not, at the same time. Some patterns of asymmetrical information can be used in circumstances when at least one party can impose or effectively exploit the certain terms of a deal, while the other party does not have this possibility.

Consequently, the uncertainty at the pragmatic level of the economic markets also has a cognitive origin. The cognitive uncertainty can be diminished by increasing the knowledge level about the market (its features and those of its specific operators) and about its related events, while maintaining the balance and the selective role of the market.

3. The main specific activities of the economic intelligence

Within the economic intelligence process there are two essential stages/main activities: *monitoring the environment*, in order to identify the elements that are relevant to the economic operator, regarding both the development opportunities for its business, and the market on which its competitors also act, and, respectively, *protecting the information* owned by economic agents, against unwanted access by its potential competitors, to data which once revealed would steal its competitive advantage.

- In order to be competitive, any company must use a **global monitoring** system the foundation of any economic intelligence action which means a constant surveillance of the context in which it unfolds its activity, that of its main competitors, but also of all the

² Op. cit., pp.8-10.

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elements that compile the market which it interferes with. This stage consists in a permanent search for the necessary information, gathering and processing that particular data (by analyzing and placing them in a certain perspective) and, in the end, the dissemination of the resulted products³. Basically, the monitoring has the following objectives⁴:

- on one hand, the detection of the low signals of future evolution trends (which guarantees a maximum profit out of the new opportunities offered by them, but also protection against any threat elements that develop out of those trends);

- on the other hand, the evaluation of the competitive environment, made out of suppliers, customers, potential new actors, but also substituent entities.

The monitoring process is preceded by the clear establishment of two essential coordinates of the intelligence process, according to the conclusions obtained by a research group led by Christian Coutenceau⁵:

- *the center of gravity*, defined as the focal point of strength of the agent/economic sector/economy of a state, which must be protected against any vulnerability or risk (it can be either an advanced logistics, a distribution network, a decision maker at an exceptional level or any public worker placed in a key position etc.). The correct and timely identification of the center of gravity ensures the knowledge of power elements, the definition of the main surveillance/monitoring directions and the essential landmarks that need protection;

In close connection with the establishment of the center of gravity there is the process of defining the critical vulnerability, which represents the problematic issue through which competitors can reach/attempt to threaten the center of gravity.

- *the final targeted stage*, which represents the strategic position (in noticeable and measurable terms) aimed to be reached by the agent/economic sector/economy of a state after the intelligence process has finished.

The monitoring act is conditioned by the existence of three major elements⁶:

- *the strategic plan of the economic agent/sector/state economy*: it is established in a certain area, it defines and prioritizes the goals of value creating actions on the long term, and it also specifies the resources allocated to this process (human, financial, technological etc.);

- *the monitoring plan*: it is elaborated according to the stakes of the economic agent/sector/state economy and it defines the domain (the activities, the technologies, the regulations etc.) which will be actively supervised in order to anticipate the evolutions. When drawing up such a plan, one has to take into consideration the strategic plan of the economic agent/sector/state economy, its center of gravity and the final targeted stage. The plan contains the objectives (both permanent and occasional) presumed to be reached, in order to obtain decisive information, with a superior timing;

- *the relevant/pertinent information*: it is that type of information which can have an impact upon the economic agent/sector/state economy and, implicitly, upon its development.

³ Op. cit., p.10.

⁴ Op. cit., p.11.

⁵ Coutenceau, Christian, coordonator, *Guide pratique d'intelligence économique*, Paris, EYROLLES, Éditions d'Organisation, 2010, p.9.

⁶ Op. cit. p.17.

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● **Protecting strategic information** represents a second essential activity of the economic intelligence process and, from the point of view of the research group led by Christian Coutenceau, it implies taking into account several factors: the center of gravity⁷ (defined as the power element of the company); the intrusive action (accessing a network, including a data network, without invitation/permission); the destabilization process (inducing a state of vulnerability, by means of pressure blackmail, corruption, threat etc.). At this point, it is necessary to detect and manage the various types of threats, of both internal or external origin.

In the first category of threats there can be included:

- the active ones, which depend upon the will/intention to act against the company. There can be dissatisfied/disillusioned collaborators of the respective entity or some who have been bought by the competition, for various reasons (revenge, jealousy, other interests etc.). These people can undertake various less scrupulous actions against the company (embezzlement/affecting the patrimony, disclosure of information or contacts which are not meant to be made public etc.);

- the passive ones, which are not part of a voluntary behaviour, but which, once expressed, can bring prejudice to the patrimony/interests of the company. In this category there can be included the imprudence acts (public indiscretions, revealing sensitive aspects on the social networks etc.), misunderstandings (due to a certain gap between the collaborator and the company) or the lack of rigor in applying procedures (breaking the security rules, passing out confidential documents etc.).

In the category of external threats there are those who origin from persons or organisations exterior to the company and which:

- undertake an offensive action either in order to achieve a strategic goal (obtaining a piece of information, technology, knowhow, a key collaborator etc.), or to affect the company or its image (by launching misinformation campaigns, based on rumours, unfounded accusations etc.);

- exploit the vulnerable elements of the security policy or the mistakes made by the various involved actors, in order to create a context that leads to the takeover of an amount of the company's confidential patrimony.

The category of external threats can be associated with the actions of direct competitors, but also with actions of the economic actors from other states, including those achieved by the specific means of economic intelligence and so on.

Once the threats detected, there can be established and implemented a strategy meant to protect crucial information, which emphasizes the risk evaluation process, according to the identified threats, but also the definition and determination of the permanent or occasional means to apply it, in order to preserve the company's interests.

At first, the area meant to be protected will be defined, ensuring the best compromise between the request to defend and the impact of the measures which are meant to be adopted to that purpose.

Afterwards, according to the defined perimeter, the adequate protection manner is chosen: *permanent devices* for installations, human resources, material and immaterial patrimony, computer systems and databases; *occasional devices* for communications, events, exhibits, negotiations, trips, incidents/attacks.

⁷ Op. cit., p.38-41.

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For each single category and device type there will be chosen the technical, human or informational solution meant to limit the risks and to prevent the threat from becoming a fact.

According to other approaches, the economic intelligence includes a third major activity/stage, that of **promoting the company**⁸, which is not limited to the simple lobby act, nor assimilated to manipulation. On the contrary, the promotion activity implies the existence of a communication and PR (public relation) strategy.

Conclusions

The information is the means by which there can be reached the objectives set within international economic competitions. In order to survive, each actor must protect its own informational patrimony and, at the same time, make efforts to know more about that of the competition. At microeconomic and mezo-economic level, the information plays an important part in increasing a company's competitiveness, or that of the national economy, in an international context. The developed states have adopted national programs to support their own economies with relevant information from the potential or active markets, the example of France being the most relevant in this matter. The fact that important foreign companies come and invest in Romania, they have commercial success (sometimes unexpectedly) and they grow is, to a great extent, due to the analyses made by the dedicated intelligence departments and why not, to the almost complete lack of counterintelligence protection within the Romanian companies.

The offer to create a general framework in order to increase the intelligence activities in the economy starts from the premises of a good understanding of the context in which the relevant and timely information can contribute to increasing management performances and economic development, in the big picture. The main idea is that of using a specialized infrastructure in order to collect, process and analyze data and information in order to disseminate intelligence to the economic actors.

What does the intelligence process offer to the economy? On the first hand, relevant and timely information. For each important company or economic branch, it can identify the informational needs, the place or the environment where the best data can be collected from, the most adequate analysis techniques to reach the targeted goal, and the best way to present the produced intelligence, in order to reduce the uncertainty within which decisions are made by the top management. Briefly, added value for competitiveness. On the other hand, in this way there can be identified and revised informational vulnerabilities, actions or inactions of people who, due to the lack of intelligence culture, manage to turn important companies vulnerable.

Consequently, in the context of globalization and of the exacerbated global competition, the economic intelligence as a way to obtain strategic information, useful to the economic agents represents, more and more obviously, a stringent necessity. The economic operators, the regions or the states cannot ignore and, furthermore, must impose and use this essential function in order to consolidate markets, guarantee quality and, recently, to ensure durable development⁹.

⁸ Delbecque, Éric; Fayol, JeanRenaud, *Intelligence économique*, Magnard Vuibert, Paris, 2012, p.17.

⁹ Deschamps, Christophe; Moinet, Nicolas, *L a boîte à outils de l'Intelligence économique*, Paris, Dunod, 2011, p.6.

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[5] “Intelligence économique” available at https://fr.wikipedia.org/wiki/Intelligence_%C3%A9conomique (checked on the 30st of July 2015).