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**MODELS OF COMPETITIVE INTELLIGENCE ON THE
STATE LEVEL. COMMON ELEMENTS AND
CHARACTERISTIC LANDMARKS**

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Abstract:

A competitive environment allows the market to operate efficiently; nevertheless, enhancing competitive performance throughout the economic environment means monitoring the economic relations and adjusting them by using public policies. Countries are forced to constantly adapt their economies, a reality which generates a permanent need for updated and relevant information. In order to prevent and combat the undesirable effects of the competition that characterizes a global market, countries with large economies rely on systems that help them improve the competitiveness of their economy; in the context, important tools seem to be data and information collection, processing and analysis.

In the post-war era, some countries such as Japan, France, the USA and Great Britain chose to develop and implement power strategies, which allow them to better cope with the challenges associated with the worldwide economic competitiveness.

On the other hand, many of the ex-Soviet countries still have neither national programs nor significant initiatives oriented towards the good-practices passed on by most of the economic developed countries. Intern political competition, still largely spread within these countries, hindered the shaping of essential concerns that could place resources in the process of framing real systems, aiming at enhancing economic competitiveness. Moreover, due to a lack of strong administrative capacity and a tendency towards corruption, visible especially among civil servants, during the last decades major errors have been committed at an intern economic level. As a consequence, this deepened even more the gap between these countries and the ones that had understood what weapons need to be used in order to conquer territories and people’s minds.

Keywords: economic intelligence, economic competitiveness, national interest.

1. Introduction

Economic intelligence has certain particularities, on both theoretical and practical levels, depending on the organizational, economic and cultural structures of a state. Considering the fact that every state has its own agenda, we can observe the existence of different entities with responsibilities in monitoring, prevention or the acquiring of competitive advantages.

These entities can function either as autonomous institutions, or as specialized departments of preexisting organizations, either military or civilian. Even if matter-of-factly these institutions had such responsibilities from the earliest times, legal documents that govern such activities have only recently come into being.

At the same time the scientific community’s interest in this domain has increased, through populating the academic environment with dedicated universities for economic, business and competitive intelligence and also through the organizing of different

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conference sessions, both national (interdepartmental and interinstitutional) and international.

The partnerships these organizations initiate with private entities have different levels of involvement, depending on the economic or cultural specificities of different states. Regardless, it's easily noticeably the fact that states are searching for solutions in achieving synergy with the private sector, economic intelligence having as its main purpose protection of the private sector's know-how, avoidance of information leak, obtainment of competitive advantages and a dominant market position.

An important element in this regard is a state's foresight capacity, some being able to anticipate or actively influence globalization, the rest limiting them to a reactive policy. National strategies that have proven themselves effective (through results in the economic sector and strong, numerous companies, exports, GDP levels, state reserves and so on) contain a number of activities of offensive intelligence, on an international level, a permissive legal environment and a considerable budget for these institutions.

2. Institutional and legal framework

In France, economic intelligence has been done informally, through the creation of study groups, until the competitively and Economic Security Committee took shape, in 1995, right after the Martre report. In the present, among those responsible with economic intelligence are the Economic Intelligence General Delegation, structures in every embassy (on behalf of the French Foreign Affairs Ministry), and officials from ministries of internal affairs, economy and industry (but without teams or professional instruments).

At the same time, regional economic intelligence and practitioners federations have been created. The French system is based on central organisms and networks in its territories, run by the Economic Intelligence Coordination Service, the ministries of economy, industry and jobs.

Regarding the territorial level, the French economic intelligence system is based on four central organizational institutions: the Ministry of Defense, the Ministry of Internal Affairs, the Ministry of Economy and Finance and the Ministry of Foreign Affairs.

We can observe that economic intelligence activities aren't done with preponderance in military institutions, unlike in the United States of America, where the Central Intelligence Agency is the main supplier of economic intelligence. The French practice in this domain is replies on the structure and mentality of public and private institutions, the promoting of the economic national interests being done in accordance with said institutions' norms and values.

The American system is differentiated through its view that the national economic security is assured by internal competition of its national companies. On a national level, the CIA supports national companies by way of offensive actions towards foreign competitors (for example, by informing legal beneficiaries of actions of those foreign companies that break the law).

On an international level, the Agency supplies information on the evolutions and vulnerabilities of foreign companies, offering the USA the capacity to exploit opportunities of gaining a competitive edge.

Unlike France, where economic intelligence has been getting attention only recently, in the USA this has been practiced from the 18th century, inside military

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structures. This aspect could be one of the reasons the USA prefers to keep economic intelligence inside military organizations, in a tried and true environment.

The German assembly of economic intelligence is composed of a number of institutions, operating locally, on a land level, and centrally, under the coordination of the Federal Ministry of Internal Affairs. This is based on an ample network containing all security authorities and economy protection relevant ministries. The entity responsible with the evaluation and valorification of the gathered intelligence is the Economy Protection Group, led by the Federal Ministry of Internal Affairs.

The German system of economic intelligence is a hybrid of France and USA systems, because there is a significant number of authorities involved, both local and central (like it's French counterpart), but with a growing involvement of military institutions, a characteristic of the American model.

The German system resorts to a number of defensive activities. The German institutions, through partnerships with global actors in the field, make intelligence and know-how exchanges, in order to bolster their companies' capacity to protect their employees. These exchanges are a win-win scenario for both parties involved.

Another aspect of interest, regarding the British system, is the mismatch between its views and facts. Even though the UK states that an economic intelligence practitioner shouldn't necessarily come from a military environment, the main governmental institution that does economic intelligence is the MI6, a military institution.

A similarity between the British and American systems is the tradition of this practice. The UK is a former empire, one of its prerogatives being the promoting of its economic and military interests. In order to do that, a number of structures were actively contributing to the state intelligence pool.

Considering the success of the UK's economy and assuming that part of that success is owed to the performance of MI6, we can consider the fact that their policy of tight cooperation with financial institutions and national assuring companies (which possess specific know-how in the field) yields good results.

In Spain, the openness towards the economic intelligence sphere has been marked by the approval, of the Ministry Council, at 24.06.2011, of the Spanish National Security Strategy. The low performance of the Spanish economy, in contrast with the rest of the western states, could be owed to the late emergence of economic intelligence as a field of interest in the academic and institutional spheres.

The Spanish priorities regarding economic intelligence are comparable with those of the rest of the western states analyzed earlier. These include the augmenting of the cooperation between private institutions and the state, assuring the prerequisites for the competitiveness of the Spanish economic entities, the promoting of the image of Spain in countries with which this state had historic connections, as well as stopping actions that hurt Spanish national interests. All these actions, according to their ideology, are made in a nonintrusive manner, that won't hurt the national economy.

An aspect of interest is the fact that the new economic intelligence structure, under the coordination of the Government, is steered by the Ministry of Economy and Competitiveness, a civilian ministry.

The Italian economic intelligence is similar with the Spanish or French system, through its late popularization and modernization. This is owed to the restrictive leadership of Italy in the 1990s, aspects which impacted AISI and AISE the two Italian structures with responsibilities in the field, which are still not supported by a legal

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environment that permits their optimal functioning, even though the Italian state has been making efforts in this regard.

The transformation of the Italian economic intelligence, started after the implementation of the Law of the secret service reform (Legge 124/2007), gave AISI and AISE responsibilities for protecting political, military, economic, scientific and industrial Italian interests.

These institutions have as their main objective the maintenance of the Italian relevance on the global market and the protection of the private sector - economic entities and workforce of Italy (not just the big companies), especially the companies that handle public utilities or academic entities.

A resemblance with the western systems is the existence of communication networks between government institutions and the academic spheres, which help the creation of a national security culture.

The modern Russian economic intelligence is structured on four organizational levels. Here, one can find corporate security services and independent economic intelligence agencies, competitive intelligence and market research divisions, both corporate and autonomous, the distribution on economic branches and the distribution on territories. These are all interconnected, competitive intelligence being a field of intense development.

That being said, unlike France, where federations of specialists exist, Russia lacks the unitary characteristic of the competitive intelligence community. This fact boggles the experience exchange of experts in this field.

The economic intelligence done in Russia has certain particularities, created by elements of historic context, cultural and political. This is owed to the fact that Russia is a former empire, around which a number of satellite-state exist (buffer-zone), with an aggressive policy, subject to international sanctions and an economy based on the export of raw resources. With respect to Russia's campaign of promoting its image, its services keep economic security in high regard.

The role foreign intelligence and industrial espionage play in augmenting the growth of the Russian economic competitiveness is an essential one, the efficiency of these actions being assured by the creation of a specific intelligence unit inside the Ministry of Economic Growth and Commerce.

Even if the Russian economic intelligence organization should help their economy to keep the pace with the western world, the facts tell another story. This aspect could be owed to the lack of synergy between the public and private sector, the inefficiency of communications between the two mentioned parties, as well as public context elements, considering the image Russia has, in the foreign investors' eyes, in the present.

Unlike the occidental model, the Japanese economic intelligence is characterized by a heightened degree of centralization. This model generates a major efficacy, by combining state with private economy, but this is not necessarily a viable model for other states.

The organization of the Japanese economic environment puts accent on the avoidance of conflicts on the internal market, the coagulation of Japanese economic entities in conglomerates and the mentalities of the employees, all elements of incompatibility in a western state.

Japan has, ever since 1962, a formal system of economic intelligence collection, under the coordination of the Institute for Industrial Protection (IIP0), which represents

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the private sector's contribution on the segment of economic policy; this has a direct line of communication with the Government, through MITI and the Ministry of Defense.

The Japanese system, similarly to the British one, has multiple leverage points on the intelligence exchange network between the state, major industrial groups, banks, commerce companies, intermediary structures and universities. The cohesion and continuous reevaluation of the national strategy elements is lessened by the search for reaching a consensus between the ministerial, professional and scientific levels.

The Japanese economic intelligence model is, not unlike the western one, formed of both public sector, represented by information agencies, and the private one, between which there is a strong cooperation.

In China, the formal concept of economic intelligence took form in 1990, aspect which constitutes a first resemblance between the PRC and other states previously discussed. China has two main economic intelligence centers and a regional innovation agency, fact which spotlights the Chinese interest in this field.

The particularities posed by the Chinese government system gives their system characteristics of strong institutionalization, being regulated by nationalist directives, adopted by Ministry of Science and Technology, approved by the Communist Party and the State Council.

A resemblance between China and Japan lies in the degree of centralization of their systems. Unlike the Japanese system, the Chinese government relies on greater authority over the private sector.

3. Economic intelligence academic and training levels

Regarding the training and perfecting of the economic intelligence practitioners, some states prefer forming their professionals in an academic environment, while other recruit experienced personnel. Regardless, after the recruitment takes place, such personnel undergo specific training, inside the recruiter institution.

These training sessions' purpose lies in adapting the recruits to the institutional specificities, in presenting its work methods, in adopting good practices, improving techniques, absorbing the institutional views and integrating them in the new institutional environment.

Economic intelligence is not only practiced inside organizations that operate in the sphere of national security, private entities practice it with success, offering clients reports and trainings. A particularity observed in some states is the fact that such reports represent a source of information and training for economic intelligence analysts.

In France, the initial training of practitioners in this field is assured by a series of institutions, including bachelor studies in economic intelligence consulting, master's studies in economic intelligence, strategic communication, risk analysis, strategic analysis, innovation economy and also strategic competitiveness.

The academic environment is not the only source of perfecting, considering the existence of networks and professional federations in the field.

The Italian and Spanish systems of initial training and perfecting are most similar to the French one, with accent on theoretical training, in the academic environment.

Even though the USA has, in its universities, classes at least tangent to economic security, the CIA prefers to recruit experienced personnel, their subsequent training helping mostly their personnel to adapt to the new institutional framework.

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At the same time, the utilization on a larger scale of economic intelligence by private entities helps the training of the personnel of these intelligence suppliers, within trainings done by these companies.

The interinstitutional cooperation contributes to the perfecting of the intelligence analysis, by supplying the analysts with the reports done by private companies that activate in this field.

In the UK, specialists are formed in both the academic and economic environment - in 1987, the Open University started a post university course, the first in the world, on competitive intelligence, *Managing in the Competitive Environment*.

The UK also houses famous consulting firms in the field and hosts conferences on economic intelligence, the latter being one of the ways the economic intelligence apparatus personnel gets perfected.

Similarly to the American model, reports done by such private organizations are used as documentaries by the practitioners in the field, fact which contributes to the augmenting of the knowledge of the experts, as well as the continuous training they receive.

Russian economic intelligence practitioners are formed in tangent academic environments, like law or economic universities, but because of the lack of networks that facilitate the exchange of experience between experts, their perfecting system lacks the variety of the aforementioned states.

In the Asian states discussed earlier, the formation of the economic intelligence experts is done on academic levels, in centers of formation or innovation, and through interinstitutional cooperation.

4. Conclusions

Interested in maximizing its chances of success on different economic markets, states, especially the developed ones, have started and refined, from the second half of the 20th century, economic intelligence systems.

France appears to be the first country which decided to raise economic intelligence to a national priority level, following the publication of studies done by a group of experts from the General Commissariat of Planning, in 1992-1994, having as its main theme Economic Intelligence and Corporate Strategy (Commissariat Général du Plan, 1994). Here, the economic intelligence has a variety of definitions and a multitude of practices, being described as the collecting, processing analysis and utilization of intelligence and knowledge to augment the efficiency of economic actors (Baulant, 2004). Its main objective is the growth of the competitiveness of firms, regions and nations through strategic management of information. The instruments used include surveillance, influence and network analysis.

In the Anglo-American area, the government institutional intelligence system has been placed in the center of the process of competitive intelligence, on state level, which works on the basis of national strategies and programs, assumed by every party involved.

Other states in the Western Europe (like Spain and Italy) have developed their own systems of competitive intelligence, their preoccupation, started in 1990-2000, stemmed from the offensive of the Anglo-American, French and Japanese states. Their mechanisms underwent steps of development and refinement, and will likely continue to do so.

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Asian states are also present in the spheres of theoretical and practical approaches to economic intelligence. I have opted to present two systems from this area because of the fundamental differences between the two exponents of the region - Japan and China. The Japanese system emerged right after the conclusion of World War 2, while the second one came into being at the end of the 20th century. The Japanese system puts emphasis on the private sector, while the Chinese is tightly coupled to the state apparatus.

An element shared by seemingly all the analyzed systems are the fact that the academic and training levels in this field are areas developed in-house. Such states have realized that having strategies and institutional mechanisms are insufficient, unless backed by a strong training vision, tailored to the realities of each individual country, regardless of the environment in which the professional works, public or private.

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