

Views on the projection of the Romanian Economic Intelligence System (SIER)

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Abstract Economic intelligence is action-oriented, and for that it provides information that helps beneficiaries make decisions. In this sense, it offers alternative scenarios to support decision makers in order to create a strategy. As globalization becomes more complex and economic competitiveness has reached an unprecedented level in history, an adaptive reaction from the state is required. Achieving the economic security objectives of a state is dependent on its ability to integrate into global and regional structures. The strategic process that allows it to adapt in the geo-economic space is economic intelligence. History proves it. The great global powers have adapted competitive intelligence in their own way, and their well-being and power are the result of the efficient implementation of these processes. Competitive intelligence helped Japan recover after World War II, helped France become a great colonial power, the United States maintain and expand its power globally.

Key words: Economic intelligence, strategic process, history proves, competitive intelligence, global powers.

JEL Classification: P40, P41.

Introduction - Economic Intelligence

Economic intelligence involves the activity of specialized state and governmental institutions, such as National Security Councils, intelligence requirements management institutions at the level of intelligence communities, as well as national or departmental intelligence services. Economic intelligence is one of the main elements of strategic intelligence (Sebe, 2009).

Its functions include:

- Timely identification of opportunities in the geo-economic space, in the market, including identification and capitalization of the vulnerabilities of the actors we are competing with,
- Identification from the outset of all threats from geo-economic actors on their own plans and decisions

- Identifying global and zonal risks, as well as preventing surprises
- Prediction of global or regional economic events
- Predicting the behavior of allied and opposing actors in the short, medium or long term (Godson, 1979)

Economic intelligence is action-oriented, and for that it provides information that helps beneficiaries make decisions. In this sense, it offers alternative scenarios to support decision makers in order to create a strategy. It is a systematic process that respects the stages of classical intelligence: planning and directing, collecting and evaluating, analyzing and processing information, disseminating results and feedback.

Planning is the stage in which the objectives are established, the necessary information is established, calendar deadlines are defined, teams and managers are assigned, as well as the financial-logistical budget. In the stage, it must be possible to answer questions such as: “What does the beneficiary need to know?”, “What does he already know in relation to the research subject?”, “Why does he need to know?”, “When he needs to know the required information?”, “What decisions and actions will be taken when the necessary information will be disseminated?”, “What are the costs of obtaining actionable information?” And a very important question “What are the losses that will be registered for the beneficiary if the necessary or desired information will not be obtained?”.

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The collection and evaluation of information involves the definition of a system of primary and secondary sources for the collection of information established in the previous stage. Also at this stage, the information is evaluated. A first processing of the information is also performed to make it available for analysis. What matters is not so much the amount of data as their quality, on which effective analysis depends. Data collection requires a high volume of work. Recent years have seen a significant increase in the amount of information that can be collected due to the development of the Internet. The challenges come from processing massive amounts of information and verifying their validity. Great efforts have been made to build software platforms that automatically collect data, extract entities and relationships between them and properly represent data for processing with complex algorithms.

Analysis and processing is the stage that effectively transforms the information received about actors, the market and relations into economic intelligence. If the collection stage involved a high workload, the analysis stage is intensive, requires high knowledge and skills.

Dissemination of the analytical product involves the delivery of the analytical product to the decision maker or beneficiary. Dissemination is done according to the nature of the information, the level of access and responsibilities. Beneficiaries can be quite diverse, depending on the country and the model of economic intelligence, from heads of state, ministers and decision-makers in ministries, to private companies (USA, Japan, China, France).

Economic Intelligence - conceptual landmarks

The concept of "economic intelligence" was structured and promoted by Michael Porter in the USA and by Steven Dedijer in Sweden in the 1980s (Alain, 2010), although it was used, without having this name from the Renaissance, by Venetian Doges.

At the state level, economic security is the extremely important branch of national security, and economic security uses economic intelligence.

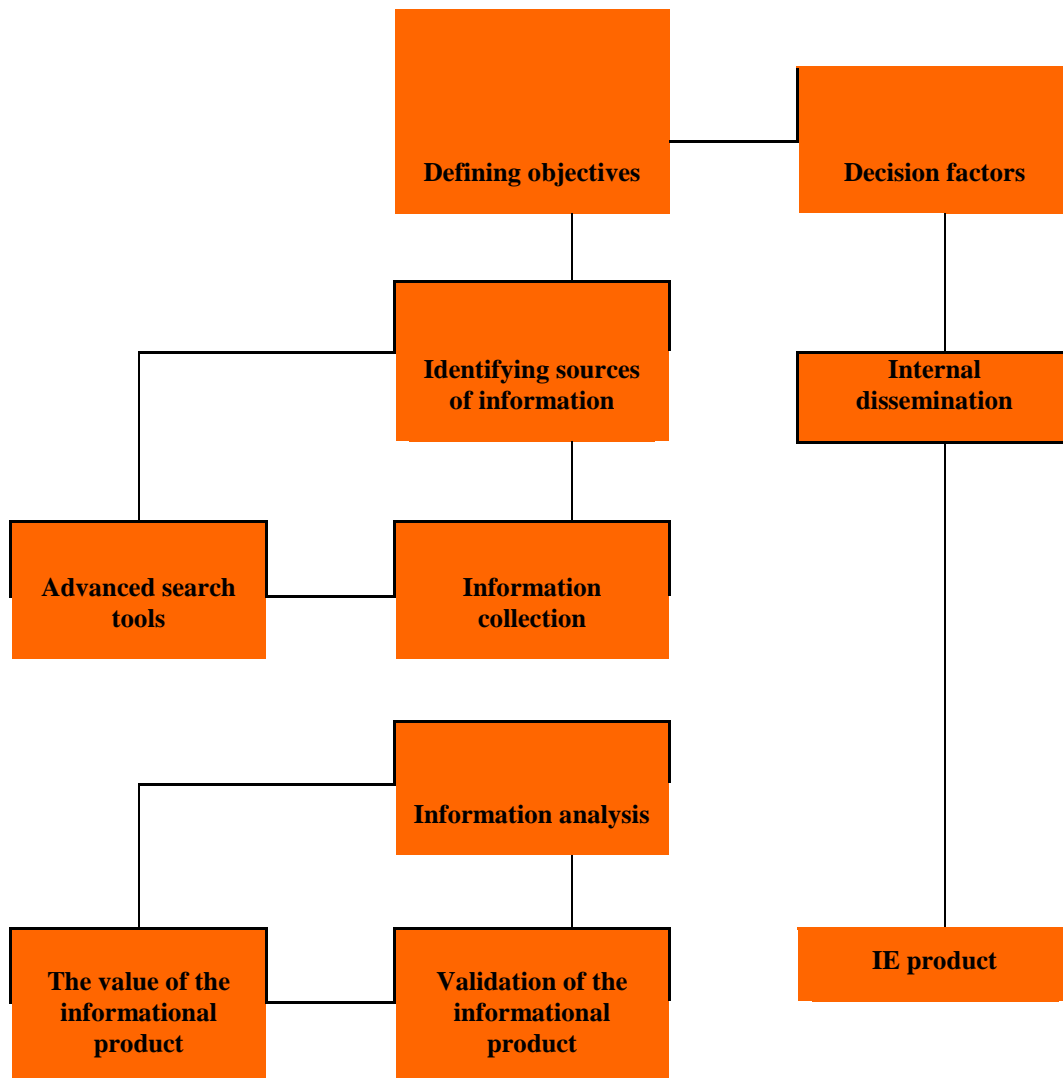
State-level economic intelligence is used to assess the state of domestic industries, measure the competitiveness of industries in other countries, and to inform industry decision-makers and leaders about domestic industries that need investment or reorganization (Minh, 2007).

A national EI system can be defined as a set of practices and strategies for interpreting useful information and knowledge, created and disseminated between different organizational levels in a country: government, government agencies, local authorities, companies, education systems, professional associations, trade unions and others (Clerc, 1997).

Three general purposes are typical of national IE systems:

- developing the capacities for understanding and interpreting the economic and social environment available to the different economic actors within a country. This works correctly when a system of knowledge (procedures and methods) has been created and is widely shared, and in particular is based on specific teaching programs and a set of relevant practices;
- generating a common knowledge base, oriented towards the definition of conjugated actions, in order to comply with the challenges of globalization.
- implementation of influence strategies that promote the national model of economic and social development on international markets. (Clerc, 1997: 310)

THE PROCESS OF ECONOMIC INTELLIGENCE



N.Moinet and C.Marcon (2006) identify two variables that allow a classification of IE models:

- the cultural imprint of the interaction within IE - the ability of public and private actors to interact. This is determined by elements such as national history, management practices or the conception of the state; the natural direction of information in the IE system - can be:
- **from top to bottom**, when most of the system is run by the state, which coordinates, stimulates and finances the creation of structures;

- **bottom - up**, an approach that resides in past successful experiences and aims at both sharing best practices and fostering feedback, and pragmatic state intervention is a response to field initiatives (Moinet, Marcon, 2006).

Evan H. Potter analyzed the best performing state systems of economic intelligence (Japan, Germany, Sweden, the United States and France) and concluded that at their core is a national culture (citizens' consciousness) of *collective information, based on exchange, favorable to the development of IE*.

In the same study, Evan H. Potter mentions:

- *In some countries, characterized by an individualistic style, governments act more as a mediator than as a player, focusing on creating a uniform and transparent framework, as well as adequate macroeconomic conditions to facilitate economic growth.*
- *in other countries, with a collectivist approach, the government aims to protect and build national industries ("national champions"), as well as **to participate directly in the market and at the same time, to provide the private sector, through formal and standard channels, extensive information and services.***
- Finally, some state EI systems are ***characterized by high complementarity between the public and private sectors, without one of them playing a leading role in the EI delivery process.*** (Evan H. Potter, 1998)

Each IE system is designed based on a defensive, offensive strategy or a combination of the two. Several factors influence the choice of a strategy, determining the decision of the state regarding the mandate of IE (Levytskyi, 2001):

- socio-political organization of the state;
- culture;
- internal and external legal framework;
- economic values

The usefulness of an economical Intelligence system?

First of all, accurate and timely information is needed to defend national economic interests, support decision-making and implement strategies.

Second, competitiveness requires such a process. According to the former director of the DGSE, Pierre Marion, *it is emphasized that, from a geo-economic (interest) point of view, we are competitors, not allies,*

even if from a military point of view the states are allies, and obtaining information of an economic nature in an allied country, it does not conflict with allied status.

France is the first country to develop an efficient and priority economic intelligence system, based on economic information collection networks and the development of internal economic support structures.

Economic warfare involves actions that in most cases are unpredictable, invisible to a superficial analysis and with a high impact on economic processes.

Japan used economic intelligence for industrial reconstruction after World War II, becoming one of the largest economic powers. Thus, MITI was the institution responsible for carrying out activities specific to economic intelligence.

Geopolitical analysis is an Economic Intelligence product that must provide answers to the following key questions:

- ***Who are the actors and what are the power relations?***
- ***What are the interests of the actors?***
- ***What is the strategy by which the actor realizes his interests?***
- ***How do actors legitimize their actions?***

The actors in the geopolitical space, in general, are the states or inter-state groups and they interact economically, culturally, ideologically. For an entity to be considered as an actor it is necessary to have a vital interest of the entity in that space and to have a certain power of influence (military, economic, cultural, etc.). These two elements interest and power bind the actor to geopolitical space.

Actors who have the ability to make their power felt and express their intention to exercise it in a region, are delimited as geostrategic players.

It is essential to determine who are the allies and who are the current or potential enemies, under what conditions alliances can be made and how we can counter the threats of the enemies. Therefore, their intentions and motivations are analyzed, as well as the relationships or alliances that are made between different actors.

Analyzing the Economic Intelligence systems of Japan, Sweden, France, Germany, America, England and Canada presented in the course support, it is necessary for Romania to functionally design an Economic Intelligence System (SIE) similar to the French one.

About the French Model of Economic Intelligence - an efficient model?

The French Economic Intelligence System is based on the central implementation mechanisms but also on a territorial network of regional centers, responsible for the operationalization of such strategies (CRIE) which depend on the Economic Intelligence Coordination Service (SCIRE) of the Ministries of Economy, Industry and Jobs. A reform has taken place in recent years to increase performance. The French economic intelligence system includes a central mechanism, coordinated by the senior official and composed of experts from seven major institutional structures.

At the territorial level, the economic intelligence system (SIE) in France is based on four central ministries:

- Ministry of Defence
- Ministry of the Interior Affairs
- Ministry of Economy and Finance
- Ministry of Foreign Affairs

To these are added the Universities, the most important Agencies such as - the Dissemination of Technological Information, International Investments, Research and Territorial Associates. Coordination in the territory is done by the prefect with two types of interventions - offensive and defensive (Ivan, 2015). France is considered one of the countries that has decided to raise economic intelligence to the rank of national priority, following the publication of studies conducted by a group of experts with the theme Economic Intelligence and Corporate Strategy (1994) - which can be a model to follow for Romania in the construction of SIE.

A possible National Economic Intelligence System in Romania

Economic intelligence involves the activity of specialized state and governmental institutions, such as National Security Councils, intelligence requirements management institutions at the level of intelligence communities, as well as national or departmental intelligence services. Economic intelligence is one of the main elements of strategic intelligence.

In Romania, unfortunately, after 1989, there was no question of a national system of economic intelligence. Only a few years ago we can speak of a pioneer in this field, through the efforts of specialists including Marian Sebe and Gabriel Sebe. The two professors conducted studies and research in the field and laid the foundations of a postgraduate study program in the field. But much more governmental and academic involvement is needed so that the efforts of the two teachers and others can be supported and developed at the national level, by creating the SIE but also the training and improvement following the French or American example. The Romanian state has extremely little control over the large national industries and, especially, natural resources,

the extremely important bargaining currency in the world's geopolitical economy. Therefore, Romania has a culture of economic intelligence, to a very small extent, rather we are talking about a group which means that there are some steps until the concepts, the knowledge transmitted by the initiators of the approach will be accepted by decision makers, who are certainly policies.

In Romania, the strategies and action plans don't integrate into each other: at national level we find the European strategy, the national strategy is found to a small extent in the regional strategies, and until the sustainable local development strategies of a commune, they are lost on the road. What is worse is that, in a brief analysis, one can easily see four to five styles of strategy models, depending on areas - energy / economics / local development / communications. These are, in most cases, multiplied on the branch, downwards, without being adapted, at least. Many times, every four years, we find the same strategy in the drawers of an administration that reissues it, depending on the budget it has at its disposal, not starting from a professional analysis to reach the establishment of investment and development priorities. Romania has about 4 million employees, more than half the average salary in the economy, has a high tax rate, has a subsistence agriculture, except for a few large companies that have leased state land through APIA or investors, mainly Italians, who have already bought land, including at border areas.

Romania has a high number of retirees, and their number will increase, taking into account the fact that the last "decrees" will retire in about 40 years. Romania has some peaks in education, but it seems to have forgotten to deal with the large mass of those on the school benches, and this can be seen in the skills gained by most graduates. In Romania, only a few know the real value of well-used information, including among decision makers. Romania has a big gap, Romania is not a strong economy and has lost many advantages, through various privatizations, and they are undoubtedly achieved, as the results can be seen today. But, there is still potential that could change the situation.

A collectivist approach, in which the government aims to protect and build national industries ("national champions"), as well as to participate directly in the market and at the same time to provide the private sector, through formal and standard channels, with information and services could also be indicated if we had a strong state. As well, ***a high complementarity between the public and private sectors***, without one of them playing a leading role in the process of providing EI, could be a solution, given the lack of strategy in this regard, for the time being, at the state level.

5 IE Proposal for Romania 2016-2030 - National Agency for SIER Starting from the French model, we mentioned a few steps that Romania could follow so that, in 2030, it can have a mature IE system, beneficial for the economic security of the nation, and, consequently, the well-being of the population.

Organizations	Before 2020 / Basics of modern IE	The years 2020-2030 / The first years	Anii 2030/Creștere constantă
Government	Creating a think-thank, at national level - to generate a general knowledge resource, with pioneers in the field, and not only - National Agency for SIER	Private companies, institutions and state-owned companies promote and develop information, intelligence / All decision-makers in the economic field, take courses, real, in the field of IC / IE / BI Crisis management is included	Each major economic field develops analysis centers for SIE, collaborates with the Government / develops crisis management / Romania knows what to do / the work network works
Organizations that include activity for SIER	International and export companies use intelligence to improve economic activity, in a systematic and coordinated approach, at the governmental level, by a structure that permanently collaborates with the established think-thank / promotes information analysis, CI and critical thinking. Little investment is made in the field (SIE Agency)	The companies develop, within them, for SIE IE	The focus is on integrating IE into business processes. IE generates professions (IE / IC analyst; companies send staff to training courses in this regard. The public domain also has IE within SIE
Academic level	Teaching Intelligence / IC / IE courses in economic universities. The Mihai Viteazu Academy of Information has started these courses for civil society, within the two faculties: the Faculty of Information and the Faculty of Intelligence Studies - but it is not enough	IE courses are also taught in universities, other than economics or the Academy of Information / Research is being developed in the field	IE has been taught for over 10 years in universities / IE is monitored nationally in universities
IE providers	We still have a small number of supplies of IE / There are works in the field of IE- little known disseminated	Yearly, an exhaustive National Report appears in the field.	The companies professionalize their employees with responsibilities in the field of IE

This model of Economic Intelligence starts from the idea of setting up a *specialized Agency (National Agency for IE)*, at governmental level - managing and integrating data and information on the economic environment in Romania. Input will provide both the public and academic environment (Romanian Academy), and access will be free, for most information (on the French model). The respective platform will be secured, the access will be made with a password, the information will be easy to find, when querying. The National IE Agency's exposure platform would also have an early warning system to quickly draw attention to threats and risks in one industry or another.

SWOT- National Agency for Economic Intelligence	
STRONG POINTS	OPPORTUNITIES
Valuation	Public-private partnership
Human resource	Promoting a competitive environment
Collaboration	Access to experts in various fields
Access to verified information from various sources	Attracting the academic environment through the Romanian Academy
Possibility to integrate information and perform simulations	Expertise of other states with good practices in the field
Existence of a secure system	Accessing European funds
Early warning system	
Input from many sources, useful output	
WEAKNESSES	Threats
Implementation difficulties	Poor understanding and acceptance of IE
Reluctance in the private environment	Human errors
Poor infrastructure	Such a platform would be strategic for Romania and there would be a risk that it would be attacked / accessed by actors with hidden, destabilizing intentions.
Lack of coherent government strategies	Obtaining erroneous data from private companies
Lack of consensus	Corruption
Non-inclusion of IE in the Sustainable Development Strategy, SNA and the Country Project!	

Conclusion

As globalization becomes more complex and economic competitiveness has reached an unprecedented level in history, an adaptive reaction from the state is required. Achieving the economic security objectives of a state is dependent on its ability to integrate into global and regional structures. The strategic process that allows it to adapt in the geo-economic space is economic intelligence. History proves it. The great global powers have adapted competitive intelligence in their own way, and their well-being and power are the result of the efficient implementation of these processes. Competitive intelligence helped Japan recover after World War II, helped France become a great colonial power, the United States maintain and expand its power globally.

The creation of this national intelligence system will not be possible without a *National Intelligence Strategy*, as we mentioned in the previous chapter, which would include its economic component, with a description of government policies in the field of economic intelligence and business and competitive intelligence (Sebe, 2009).

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