

**The Changing Face of Intelligence:
NATO Advanced Research Workshop – Report**
The Pluscarden Programme for the Study of Global Terrorism and Intelligence
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EXECUTIVE SUMMARY

- The new technologies and structures of global terrorism present a major challenge, although this focus must not distract the intelligence community from other dangers. The global terrorist threat generates the need to find a balance between improved efficiency and improved flexibility: a familiar trade-off with no easy solution.
- In response to recent intelligence failures, many intelligence agencies have undergone substantial structural reform. Effective top-down reform may be an important first step toward improving intelligence quality, but there are dangers in treating reorganization as a panacea. It is necessary to enhance the dynamic ability of intelligence agencies to adapt to changing situations, keeping pace with the constant innovations of global terror networks. This requires a focus on individuals and attitudes within intelligence agencies, improving recruitment and training to create a culture of loyalty, integrity and tradition, combined with the ability to think imaginatively and break the rules when necessary.
- Some suggested a need for improved political oversight of intelligence services, while others argued that parliamentary oversight was already effective, pointing to the danger that intelligence services might become deterred from risk and internal debate. A balance would inevitably have to be struck between security and accountability.
- Major geopolitical trends may be understood through open sources. The volume of available material is expanding rapidly. All-source analytical centres might assess a broader range of risks, although it is dangerous to spread the intelligence and security services too thinly. How should 'intelligence' now be distinguished from 'information'?
- Co-operation and intelligence sharing among national intelligence agencies must increase in the context of the fight against terror. Intelligence assessments can be shared much more easily than source-derived intelligence, and there is already substantial co-operation in this area within NATO. Sharing depends on regular, informal personal interactions among intelligence operatives. Political decision making as regards intelligence is still highly nation-based. Western intelligence agencies are trying to improve liaison with Arab intelligence services, but this presents certain pitfalls.
- There is an ever-increasing overlap between the functions of law enforcement agencies and national security intelligence, and the two must be brought together. However, the fact that national security agencies focus on pre-empting threats and criminal agencies on gathering evidence for prosecution can lead to conflicts of interest.
- The challenge of global terrorism also requires intelligence agencies to sustain vital popular support among citizens. In the context of perceived intelligence failures, which have a more marked impact on the general population than ever before, debate is now becoming polarized between idealists and *realpolitikers*. The intelligence community must respond by expanding, reorganizing and managing expectations. Public understanding is essential to the professional conduct of intelligence.
- Civil society, including a free press, independent NGOs and the corporate world, must play a key role in the prevention of terrorism. Academics, who have more specialized expertise, as well as time to stand back, take stock and think outside the box, may also assist practitioners, although disclosure issues generally prevent intelligence officers from involving themselves in unstructured debate.

FULL REPORT

I. Intelligence Reform

A. New Challenges

1. Participants noted the important new challenge of global terrorism, with its use of new technologies and its diffuse and non-hierarchical organizational structure of self-generating networks. However, they also highlighted the risk that this focus may be distracting the intelligence community from other threats, including traditional dangers and the ongoing difficult question of how to engage with the problems of globalization.
2. The global terrorist threat generates the need to find a balance between improved efficiency and improved flexibility. On the one hand, the existence of a large number of small threats requires intelligence agencies to increase the efficiency and co-ordination of their collection of information. This demands tighter management procedures and subsumes an ever-greater proportion of their budgets. On the other hand, intelligence agencies need to maintain flexibility, imagination and the potential for innovation, thinking ahead to possible future global threats. This trade-off is familiar to many actors outside the intelligence community, and has no easy solution.

B. Organization and Management

3. Participants noted that in response to recent intelligence failures there had been substantial structural reform of intelligence agencies in the US and rather less in the UK. British agencies had, however, undergone some organizational change focused on improving co-ordination, including the institution of a new JTAC team for threat assessment, and the plans for a Serious Organized Crime Agency.
4. Some suggested that such organizational reform was an important first step towards improving the quality of intelligence, highlighting the importance of enhancing the efficient allocation of resources. It was observed that top-down reform could be more effective than internal initiatives, which tend to be led by the most institutionalized insiders.
5. Others, however, emphasized the potential dangers of treating reorganization as a panacea. Much could be accomplished to improve efficiency within existing structures, provided that management was frank with the political leadership about the constraints it faced. The analogy with business fell down, given the difficulties of measuring the value of intelligence. There was a danger of merely creating an extra layer of bureaucracy or setting inappropriate targets.

6. There was greater consensus on the need to improve (or maintain) the dynamic ability of intelligence agencies to adapt to changing situations, keeping pace with the constant innovations of global terror networks.

C. People and Culture

7. In this respect, however, most participants laid more emphasis on the need to focus on the individuals and attitudes within intelligence agencies, improving recruitment and training to create a culture of loyalty, integrity and tradition, combined with the ability to think critically and break the rules or take calculated risk when absolutely essential. It was emphasized that, without such a culture, any organizational change would be ineffective – although reliance on culture alone was correspondingly insecure.
8. The importance of individuals was highlighted by the need to refocus on vital human source intelligence and the core activities of assessing, cultivating, recruiting and handling sources, which can be unpredictable due to their dependence on personal relations.
9. Training and continuous professional development could therefore improve the quality of intelligence, as analysts learned to avoid such common pitfalls as fighting the last war, mirror-imaging and groupthink. Participants considered the possibilities of joint training, perhaps in an Intelligence Staff College or National Institute of Intelligence Excellence.
10. Intelligence agencies sometimes lack the creative insight to understand the opponent's perspective. This would be a key area in which analysts might require training. Alternatively, 'red cells' could be tasked to act as devil's advocates, although there is a danger of setting up an adversarial relationship that might inhibit co-operation within the agency.
11. The critical problem remains how to avoid a lack of imagination among intelligence operatives. Agencies tend to be under-resourced and risk-averse, encouraging them to focus on the current threat, with no time to think strategically.
12. Some participants suggested the use of critical rather than inductive logic in intelligence analysis, seeking refutations rather than supporting evidence in order to avoid the fallacy that the more evidence we have to support a case, the better it is. However, it was argued that this still did not solve the fundamental issue of how to identify new threats.
13. Ultimately, individuals must be encouraged to be creative, through such techniques as brainstorming (across departments) and the construction of an institutional environment within which young minds are allowed to challenge

established analysts. This is related to the key issue of how to expand outreach beyond the agencies themselves and their accustomed think-tank partners.

D. Political Oversight

14. Some suggested a need for improved political oversight of intelligence services. It was argued that parliamentary scrutiny is vital to preserve the separation of powers in a democracy and protect basic rights. Participants considered a range of institutions, including the German model of an elected Bundestag Committee; the idea that the British Intelligence and Security Committee could hold some sessions in public; and the concept of a Prime Ministerial Intelligence Advisory Board, made up mostly of outsiders and fresh thinkers.
15. There was some discussion of the various roles of oversight committees. It was suggested that they might need to go beyond assuring simple accountability to provide active support and even strategic direction for the intelligence services – although the latter function would require a high-level membership with adequate time and resources.
16. Others argued that parliamentary oversight was already effective. They pointed to the danger that intelligence services might be hampered by the inability to take risks or engage in proper debate if they were always looking over their shoulders. Too much independent scrutiny would contravene the nature of ‘secret’ intelligence and increase the chances of leaks. A balance would inevitably have to be struck between security and accountability.
17. Participants raised the problem of co-optation of oversight committees. It was suggested that in such a case, whistle-blowers might present the ultimate sanction, especially as regards political interference in the intelligence process. This was disputed on the grounds that internal recourses were available to dissidents, who might, in any case, fail to see the full picture.
18. It was argued that, although intelligence organizations should avoid having their own agendas, they can never be politically neutral, since they exist to serve political ends and are required to produce intelligence that is relevant to policy imperatives. Thus there is a danger that intelligence may be misused in pursuit of political ends.
19. Participants considered the risks of over-centralization in the UK, suggesting that political leaders might attempt to perform their own analysis of secret information, using it to simplify choices when in fact there is a need for more devolved and complex decision making. It was noted that in the German and other systems, analysis is performed by senior operators, without political involvement. Some suggested reforms that would break down the traditional distinction lines between operators and analysts.

20. Others argued that intelligence operators should not act as analysts, since ultimately, in a democracy, analysis has to be the responsibility of elected representatives, who set priorities and select personnel. It was noted that it has always been the British practice to have analysts and operators working together. The real need might be for a respected Joint Intelligence Committee enjoying a good mutual understanding with politicians.

E. Scope of Intelligence

21. Some participants suggested that there was increasing potential for Middle Eastern intelligence agencies to take on a diplomatic role in the region, involving themselves in arms control and brokering inter-governmental and inter-factional agreements. This idea was not pursued.
22. In addition, there was much discussion of the advantages and disadvantages of integrating intelligence analysis with open-source analysis, on the German model. It was noted that major geopolitical trends could be understood through open sources, and that the volume of available material was expanding rapidly, making it harder to review, although new technology provided some assistance.
23. This raised the question of whether the intelligence community might need to outsource some technical and/or open-source analysis in order to address the new challenge. There were suggestions that all-source analytical centres could be created to assess a broader range of risks. The UN might benefit from an open-source intelligence warning system for biorisk; while the British JIC could be supplemented by a new Global Threat Assessment Centre, which would be outside government, focusing on open sources, so it could be connected to the vital global network.
24. Several participants noted the dangers of spreading the intelligence and security services too thinly and destroying innovation by asking them to take on too many tasks. This might strengthen the case for taking the less secret analysis out of government altogether. On the other hand, it was also suggested that the very reason for the existence of a government intelligence apparatus was that intelligence could not be obtained and analyzed openly.
25. There was some consequent discussion of the proper definition of ‘intelligence’, and how, in the modern era, it should be distinguished from ‘information’. Was there a need to move beyond the concept of ‘intelligence’ as ‘stealing other people’s secrets secretly’? Was it still to be defined simply as information that had been subjected to assessment and analysis?

II. Intelligence Liaison

A. *Sharing with NATO Partners*

26. There was general agreement on the need to increase co-operation and intelligence sharing among national intelligence agencies in the context of the fight against terror. Nations might need to produce intelligence (which could depend on their overseas commitments) in order to receive it. It was noted that there were many benefits attached to sharing with the US, which had the largest intelligence service in the world, and that Britain sometimes played a beneficial role by serving as a channel to pass US information on to Europe in a counter-terror context.
27. It was suggested that more remained to be achieved in this context. European security services still insisted that there should be no compulsory exchange of information. There were difficulties with liaison among the heads of foreign intelligence services even within NATO, and liaison among heads of counterintelligence services had not been extended to include the rest of the world.
28. The principal difficulty of intelligence sharing, even among close partners, was generally acknowledged to be the unacceptable risk of deterring and even endangering the lives of sources. Particular problems included US legislation requiring intelligence services to make known any threat that might affect US citizens and lack of knowledge of the new European democracies, which had hindered the establishment of relationships of trust.
29. However, it was observed that intelligence assessments could be shared much more easily than source-derived intelligence, and that there was already substantial co-operation in this area within NATO.
30. Nonetheless, participants identified a need to share more intelligence related to NATO's clearly defined missions – for instance, in the Balkans and Afghanistan. Newer NATO members could provide much situational knowledge in this area, and there was a need to make greater use of their recent personal experience of intelligence reform in transitions from authoritarianism. Participants noted the importance of regular, informal personal interactions among intelligence agencies, including at junior levels. There was some discussion of the possibility of a NATO Intelligence College.
31. It was suggested that recent attempts to transform NATO's own intelligence structure had moved slowly, so that the Alliance still lacked intelligence leadership and an integrated analytical staff, resulting in confusion and compartmentalization. This prevented the development of relationships of trust with national agencies.

32. Participants argued that the structure and multilateral nature of NATO itself made these problems very difficult to overcome, since progress could be inhibited by political problems among nation-state members, specifically the transatlantic fissure. As a result, it might be more sensible for NATO to start small, focusing on low-level tactical/operational intelligence and building trust among and with national agencies.

B. Sharing with Global Partners

33. It was noted that political decision making as regards intelligence was still highly nation-based, while UN Resolution 1373 on counter-terrorism and other mechanisms of co-operation did not go very deep. Some participants suggested the need to raise global co-ordination among intelligence agencies to a higher level, possibly even establishing a new organization to deal with terrorism.

34. In particular, participants were concerned about intelligence sharing in Iraq, where there was no longer a single functioning intelligence agency, and local commanders took a haphazard and sectarian approach.

35. Inherent difficulties with human intelligence on the Middle East were said to produce an increased dependence on liaison reporting to deal with the terror threat. Western intelligence agencies were trying to improve co-operation with Arab intelligence services, which were closer to their sources, better at infiltration, and made use of large, highly effective networks.

36. However, such an approach has certain pitfalls. Arab agencies tend to be more focused on protecting the regime from domestic threats; they are problematic national actors as they represent a particular faction within the state; they may function on a basis of fear and can be guilty of human rights abuses or threaten domestic liberalization and accountability. Liaison may be perceived to support these practices and encourage such agencies to portray all threats as related to global terror. Moreover, it can be very difficult to validate the intelligence provided by local security services, which may be based largely on rumour.

C. Co-operation with Law Enforcement

37. Terrorism looms larger as a psychological threat than ordinary organized crime, but it may use globalization to its advantage to create an overlap between crime and terrorism. Criminals provide specialist services of use to terrorists; while terrorists turn to crime to obtain money. Some participants argued that the current problems were due to an over-militarized approach to global terrorism, and there was a need to increase emphasis on policing in order to maintain national security.

38. The consensus was that there is an ever-increasing overlap between the functions of law enforcement agencies and national security intelligence, and the two must be brought together. Recent Spanish reforms involved increasing and maximizing police intelligence capabilities with respect to international terrorism; as well as improving coordination and exchange of available information on terrorism among competent state security agencies. In this context, Interpol and especially Europol can play an important role coordinating the fight against terrorism and crime.
39. It was, however, pointed out that national security and criminal agencies have always worked together, with clearly defined responsibilities. The difference is that the former is focused on pre-empting threats; the latter on gathering evidence for prosecution. This can lead to conflicts of interest and distrust.

D. Co-operation with Civil Society

40. The challenge of global terrorism also requires intelligence agencies to sustain vital popular support among citizens. British Intelligence has historically been able to call on such support, partly based on a traditional mystique.
41. However, circumstances are changing. Debate is now becoming polarized between idealists and *realpolitikers*, who argue about the relationship and the most appropriate trade-off between security and human rights/ liberal democracy/ rule of law.
42. This debate is taking place in the context of perceived intelligence failures, which have a much more marked impact on the general population than ever before. The intelligence community is having to respond to public perceptions by expanding, reorganizing and managing expectations. Some participants suggested that there was a need to rebuild public trust with a more routine openness, abandoning unnecessary secrecy. It was argued that public understanding is essential to the professional conduct of intelligence.
43. In this context, various participants emphasized the key role of civil society, which through its very existence can help to prevent terrorism by acting as a middle ground, avoiding polarization between the government and radicals. Ultimately, a terrorist threat demands a political solution.
44. In the end, however, it is governments, rather than civil society, which must fight terrorism, and the military element remains important. Civil society input must not be allowed to distract intelligence agencies from doing their jobs.

E. Co-operation with Societal Groups

45. A free press must be part of any political solution. Journalistic scrutiny of intelligence has increased over the years in Britain, and the Butler Report broke the last taboo by including concrete information on sources. However, participants suggested that increased openness on the part of the intelligence services need not necessarily involve journalists.
46. There was general agreement that NGOs can play an important role fighting radicalism, since governments are not trusted in modern democracies. They can act both through popular education and through liaison with security agencies.
47. In response to the terrorist threat, the corporate world and governments need to improve mutual co-operation and communication. Businesses need better threat assessment briefings, proper warnings and ongoing liaison to improve response to incidents. Governments seek additional information on finance, fraud, money-laundering and IT records. London's 'Project Griffin' was mentioned as a model of functioning public-private partnership. However, participants suggested that there was a need for a wider, global approach and further commitment on both sides, as government information provision must keep up with the 24-hour media.
48. Academics and intelligence practitioners can also complement each other's expertise in response to the problem of global terrorism. Academics, who some suggested have a history of getting the major geo-political trends right, have more time to stand back, take stock, think outside the box and identify new threats. Such liaison could contribute to the rebuilding of public trust and link practitioners more effectively to the crucial global open-source networks.
49. As universities and think-tanks move closer to intelligence services, they may improve standards of data-processing and cross-checking. In an increasingly diverse world, academics are also a useful resource in that they can provide highly specialized expertise, for example regarding particular countries, where intelligence operatives only tend to be posted briefly. Although academic information is already openly available, it still needs to be transformed into a form useful for policy-makers.
50. On the other hand, participants noted some difficulties regarding liaison with universities. Academics develop a sympathy based on long experience of their areas of expertise, which may lay them open to the accusation of having 'gone native'. They are just as prone to error as any other group, may live in ivory towers, and have such diverse views that there are problems choosing between them. Finally, there is always a security problem, as disclosure issues generally prevent intelligence officers from involving themselves in unstructured debate.