THE PRIVATISATION OF INTELLIGENCE:

CHALLENGES FOR THE MEDITERRANEAN AND BALKAN REGIONS

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The ongoing revelations by private contractor, Edward Snowden, have focused attention on the extensive scope of global intelligence gathering by the United States (US).[1] In particular, highlighting the vulnerabilities of digital data, raising concerns by civil libertarians in Europe and North America on citizen privacy, and causing diplomatic rifts between states, examples being the US and Germany, and Australia and Indonesia.[2] However, limited attention has been paid to the challenges of privatising intelligence, especially where this occurs on behalf of the state.[3] While current media reports indicate the US is the most active state involved in privatised intelligence, followed by Great Britain, it is also likely that other states are engaged in similar operations under the guise of private companies, through contractual arrangements, or by covert infiltration.[4]

This paper briefly reviews the challenges posed by the privatisation of intelligence, before considering implications for national, regional and international security arrangements of states in the Mediterranean and Balkan regions. The first section reviews issues in relation to intelligence privatisation and changes in definition, types and concepts. The second and third sections consider these themes as they may be applied to states in the Mediterranean and Balkan regions, respectively. In conclusion, the challenges of ensuring state security in the context of an increasingly privatised intelligence domain are noted.

The Privatisation of Intelligence

While intelligence-sharing between the state and private sector is not new, the Snowden disclosures indicate that contemporary US and British data collection efforts are extensive, and reflect changed definitions and concepts of intelligence. During the post-Cold War era, the definition of intelligence was widely debated, where it had grown from a previous narrow understanding of national security, to applications for business and economics, often termed

'market intelligence.'[5] This enabled not just the transfer of intelligence applications and advantages to business, but economic security for the state, and new opportunities for retired security professionals.[6]

The concept of intelligence also changed, notably during the post-Cold War era, and gathering momentum after the events of September 11, 2001. Domestic and international security is now measured against multiple threats – from intrastate violence, criminal actors, terrorism, religious extremists and 'lone wolves,' in addition to interstate conflict. National security now encompasses not just intelligence agencies and military forces, but also state and private policing agencies. Human intelligence gathering appears to have diminished in state priority, while an increasing focus on signals intelligence and data collection reflects contemporary technological developments, digital media, and public access.

The 'information revolution' has meant that public access to digital and social media, coupled with targeted marketing and information collection by business – particularly, the commercial, financial and telecommunication sectors – has resulted in immense quantities of data being captured, stored, processed and analysed.[7] From a state perspective, such data may be valuable for its contribution to the intelligence picture, a pre-emptive tool against possible or known threats. However, the collection and subsequent filtering processes through to analysis require particular skill sets and large numbers of personnel. For the US, resolution of these issues has apparently been addressed through contracting to private companies, in addition to appropriation of intelligence acquired by business, either through subtle pressure, court-issued warrants, or covert infiltration.

The implications of this push towards privatised intelligence collection and processing may be considered through two dimensions: security issues pertaining to national, regional and international goals; and thematic frames, of data, institutions and personnel. In this context, the following two sections briefly consider the catalysts and challenges posed by privatised intelligence for states in the Mediterranean and Balkan regions.

The Mediterranean Region

While recognised for its geostrategic importance, the 22 states bordering the Mediterranean Sea still lack a coherent regional framework to promote its potential role as an economic, cultural, religious and political 'bridge' between the European Union, Middle East and North Africa.[8] National security issues for the Mediterranean states share similar features. For example, domestic security issues affecting the southern Mediterranean states of Greece, Spain and Italy include unrestrained irregular migration from North Africa, linked to increasing domestic civil unrest, unemployment, poverty and crime.[9] The Arab Spring and resulting intrastate conflict has meant instability in government and civil reform for Libya, Tunisia and Egypt, while the Syrian civil war has also affected Turkey and Lebanon.[10]

Key drivers that may affect the privatisation of intelligence for Mediterranean states include government austerity measures, lack of internal security expertise, state and private sector interest in natural resources and resultant commercial opportunities, irregular migration and regional conflict. The 2007 global financial crisis and consequent European austerity measures were reflected in decreased government services, wage reductions and high unemployment.[11]

Although limited information is available on the impact of these measures for intelligence services in the affected states (particularly Greece and Spain) Nomikos notes that, in 2012, Greek intelligence services still required modernisation and personnel with 'high level skills' such as had occurred in other states.[12] Rather than address these perceived deficits through internal processes, however, states may instead decide to contract specific services externally, for example, to companies with expertise in digital data retrieval and analysis. Despite outsourcing, states would still need to undertake due diligence checks for companies, and vetting arrangements for personnel to ensure security.[13]

A further catalyst in the privatisation of intelligence for Mediterranean states may also be linked to claims on natural resources. Examples include the discovery of large, under-water, natural gas fields in the Eastern Mediterranean, with 'assertive statements of intent' having been issued by Greece, Turkey, Israel, Cyprus, Lebanese Hizbullah and Palestinian Hamas groups.[14] The commercial profits generated from such resources could ensure state economic prosperity, but also require private security and intelligence services to protect infrastructure, in addition to generation of new, potentially valuable, datasets on operations and personnel.

Regional institutions have considered security measures to prevent irregular migration across the Mediterranean, from the Middle East and North Africa to Europe. The European Union (EU) has established a border surveillance system (EUROSUR) that will eventually cover its 30 member states.[15] In addition to cooperation between land-based security and police agencies, the surveillance system includes drones and satellite technology to track seaborne migrants, and enable intelligence-sharing between states.[16] Significantly, Great Britain is not involved in the program, and other EU states reportedly have refused Britain's request to provide EUROSUR-derived intelligence to the US.[17] Another EU initiative to strengthen border security is its mission in Libya, EUBAM, approved in May 2013 to address irregular migration and mentor Libyan personnel on an international border management strategy.[18] While security arrangements for EUROSUR do not identify whether private security or contracted personnel are involved in the operation, EUBAM is contracted to a British company, Argus Security Projects.[19] Reports indicate that intelligence derived from EUBAM and its security operations may not just be useful for border management strategies, but also the commercial ambitions of individual EU member states.[20]

The data generated and collected by private companies in the region has also been subject to allegations of covert infiltration. For example, the British are alleged to have used their military base in Cyprus to facilitate access into '14 undersea fibre optic cables' passing by the island, a

communications highway between Europe, North Africa and the Middle East.[21] The digital data collection is alleged to include 'tens of millions' of emails, telephone calls, instant messages, and other web-based traffic.'[22]

The Balkan Region

Located in the south-eastern reaches of Europe, states in the Balkan region have undergone significant security sector reform in the post-Cold War era, independence from the Soviet Union being achieved by some through a relatively peaceful process while, for others, after civil conflict.[23] Security sector reform has occurred at varying levels of progress, with agencies required to reflect national, rather than Soviet, interests. Further issues for intelligence sector reform have included introducing division between internal (domestic) and external (foreign) activity, legislative oversight and compliance, data security, privacy and human rights, changing the professional culture, and relationships with non-state actors.[24]

For most Balkan states, security sector reform has meant a change from previous Soviet state surveillance to similar operations conducted instead by private sector agencies, with correlated allegations of corruption and criminal activity. One example is that of Bulgaria, where an estimated 9 per cent of the male population are reportedly employed in the private security sector.[25] The involvement of private sector companies in intelligence collection and security services is problematic, with limited legislative oversight, data privacy or compliance with human rights.

As with some Mediterranean states, a primary issue appears to be the 'shortage of experts outside the legacy intelligence services' who are capable of managing reform, another potential driver towards privatised intelligence and the contracting of personnel with particular skill sets.[26] The Balkan region also presents geostrategic importance for its 'major land routes between Europe and the Middle East, and ecological resources,' issues that would attract national, regional and international interests, and be the focus of intelligence collection – whether through contracted security agencies, or covert infiltration of private sector data.[27]

The Privatisation of Intelligence

The privatisation of intelligence has most recently gained prominence through the Snowden revelations. The immense digital data collection and analysis process undertaken by the US and British agencies through appropriation of privately-generated intelligence is unlikely to be replicated to such a large extent by states in the Mediterranean and Balkan regions, the latter being circumscribed by cost and skilled personnel. States in these regions are more likely to be targeted by foreign interests, which may include private sector companies contracted to collect intelligence.

However, similar catalysts for the outsourcing of intelligence activities may be noted for states across the regions. In the Balkan states, increased numbers of private security agencies, and their

correlated potential to acquire intelligence, may mean that state intelligence services become increasingly reliant upon these private data sources. Specific issues in this regard are allegations of corruption and criminal activity undertaken by private security companies, with few checks and balances on the collection and use of privately sourced intelligence. For Mediterranean states, also, there appear to be concerns regarding the need to modernise state intelligence services. While private companies in these states appear not to be significantly involved in intelligence collection, state concerns regarding potential terrorist threats and undocumented migrants may result in the outsourcing of surveillance and data capture services.

Endnotes:

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[23] For the purpose of this review, specific regional states include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, Serbia and Slovenia; the region also includes border states, Greece, Italy and Turkey.

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