

Intelligence and the Machinery of Government: Conceptualising the Intelligence Community¹

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Biography

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Abstract

This article argues that the failure to address intelligence agencies as public organizations part and parcel with the overt machinery of government constitutes a significant lacuna both in the specialist study of intelligence and the broader discipline of public administration studies. The role and status of intelligence institutions as aspects of the machinery of central government is examined, along with the prospects of certain key paradigms in the field for understanding those institutions are considered. Finally, the implications for the wider study of decision-making, policy and public management will be examined.

Keywords

Intelligence, security, core executive, public management, interdepartmentalism, **interagency, public choice, neoinstitutionalism**

The spy is as old as history, but intelligence agencies are new.

Philip Knightley (1986)

It is our constant problem under our departmentalised system to find means of arming a joint authority ...with sufficient powers to render it effective without encroaching upon ministerial rights and responsibilities.

Air Chief Marshal Sir Douglas Evill (1947)

Introduction

Despite Philip Knightley's enviably quotable observation in the first epigraph to this article more than two decades ago, it is only in comparatively recent years something of a body of scholarship has begun to appear looking at the management structure of individual agencies. There has, to be sure, been a substantial growth in historical scholarship on specific operations and intelligence appreciations, and their impact (or lack thereof) on equally specific policies and events. Revelations about communications intelligence successes such as ULTRA, for example, have transformed perceptions of the Second World War while the Cold War was, in many respects, the intelligence war *par excellence*. And yet there has been little effort to turn this historical narrative into a more general understanding of intelligence institutions as part of the wider functioning of overt processes and mechanisms of government.

This is peculiar because of the very palpable impact that intelligence management has had on national security in many cases and countries around the world. In America the current intelligence community (or 'IC') was established after the strategic surprise at Pearl Harbor in December 1941. That surprise was attributed by a succession of executive and congressional reports to a failure to coordinate intelligence (Andrew, 1995, pp.75-122; United States Congress, 1946, p.254; Warner, 2001, p.1). Continued interagency coordination problems contributed directly to US blindness to warnings and indicators of both the 1950 North Korean invasion of South Korea as well as the subsequent Chinese crossing of the Yalu River later in that campaign (Andrew 1999 pp.185-187; Brownell, 1981). Both the joint Congressional inquiry in the September 11 2001 terrorist attacks (2002) and the subsequent 'blue ribbon' 9/11 Commission (2004) pinpointed weak coordination, patchy and inconsistent information sharing and running disputes between agencies as significant contributors to America's vulnerability to those attacks.

Interagency dynamics have had similarly profound consequences for the UK over the decades. For example, there is strong evidence having the Foreign Office chair the JIC prior to 1983 gave it an influence over national assessments that may have contributed to significant policy blindspots concerning crises such as the 1968 invasion of Dubcek's Czechoslovakia (Cradock 2002 pp.240-259) and Argentine intentions with regards to the Falkland Islands in 1981 (Franks 1983; Hughes-Wilson 2003 pp.260-307). And a diminished evaluation and validation branch in the Secret Intelligence Service, coupled to difficulties coordinating validation between SIS and analysts at the Defence

Intelligence Staff, contributed directly to errors in UK national assessments of Iraqi non-conventional weapons programmes prior to the invasion (Butler, 2004, pp.102-104, 138-139; Davies, 2005).

And yet, apart from a handful of studies, no systematic effort has yet been made either to incorporate intelligence into the collective knowledge base of public administration as a sub-discipline, nor the insights of public administration into the study of intelligence either. Such a state of affairs would hardly be tolerable in the study of social services or defence. The same should be true of intelligence. In which case, the natural point of departure should be to try and articulate some kind of general understanding of how intelligence communities operate within and amongst themselves and how they interconnect with the wider, overt machinery of government. If intelligence agencies are part of the machinery of government, they should conform to existing concepts and models of how the state apparatus works. And, indeed, even a cursory examination of the main paradigms in the field today shows not only how well intelligence communities fit into our general understanding of public management, but also what they tell us about government administration with particular clarity.

Conceptualising the Intelligence Community

For some decades there has been an aspect of the literature on intelligence that might best be described as a fairly basic machinery of government approach which tries to detail the various departments, agencies and internal structures of national intelligence systems. In America, this has been most consistently embodied by the various volumes of Jeffrey T. Richelson (1986, 1989, 1999, 2007) although the first published structural account of the US intelligence community was probably the final report of the Church inquiry (Church, 1976). In 1991, journalist Richard Norton-Taylor tried to do much the same thing for the UK system but based on rather more scant sources (Norton-Taylor, 1990), many of which were appreciably out of date and sometimes inconsistent. Conversely, one of the earliest public discussions of the Joint Intelligence Organisation was a report on the machinery of central government by the Royal Institute of Public Administration which briefly discussed the origins and role of the Joint Intelligence Organisation in the 'central organisation for defence' (the study being prepared *before* the JIO had moved to the Cabinet Office) (Willson, 1957). Likewise, the official history of British intelligence in the Second World War paid very close attention to interagency coordinating mechanisms such as the JIO (especially Hinley *et al* 1979, 1981) and its wartime domestic counterpart the Home Defence (Security) Executive (Hinsley and Simkins, 1990). What these narrowly empirical studies have in common besides difficulties trying to establish a sufficiently coherent and timely account, however, was also an absence of any attempt to draw out a deeper understanding of how the intelligence communities being examined operated and why.

i. As Core Executive

For the most part, the intelligence community operates below the horizon of the most central ministerial players in the core executive, although ministers are counted

amongst the most important consumers of assessed intelligence products either directly or incorporated into civil service policy advice to ministers. The basic dynamics of the concept, however, apply well to the intelligence 'machine'. 'All actors' Martin Smith observes in his axiomatic statement of the core executive paradigm 'have resources' and for those actors 'to achieve goals resources have to be exchanged.' Consequently those 'structures of dependency' are essential to understanding how government gets things done. What complicates matters is that those 'structures of dependency are often based on overlapping networks' which 'do not follow formal organisation' which 'can lead to fragmentation and conflict over responsibility and territory.' 'Even resource-rich actors, such as the Prime Minister, are dependent on other actors to achieve their goals', with stronger actors being less dependent when events are going their way, and more dependent when circumstances are against them. As a consequence, concludes Smith echoing Sir Douglas Evill's plaintive musing in the second epigraph to this piece, '[b]ecause of the distribution of resources, the strength of departments and overlapping networks, the core executive is fragmented and central coordination is extremely difficult' (Smith, 1999 pp.1-2). Nothing, it would seem, can get done without a running processes of interdepartmental and interagency negotiation and accommodation at a range of different levels of government. And yet, ironically, it is precisely this fragmentation which binds the UK intelligence community together.

The hub of the UK intelligence system consists of what are collectively termed the 'intelligence and security agencies' or, more briefly, the 'national agencies' (as distinct from single-service, departmental or police intelligence branches). These consist in the Secret Intelligence Service or SIS (colloquially known as MI6) which runs human sources and undertakes technical operations and surveillance activities abroad; the Security Service or MI5 which performs the same range of tasks domestically, and Government Communications Headquarters which is the national organisation responsible for signals intelligence and information assurance. GCHQ is the post-war incarnation of the Government Code and Cipher School (GC&CS) which came to public prominence in 1974 for its work against German Enigma machine codes. However, much national-level work is also undertaken by the Defence Intelligence Staff (DIS) in the Ministry of Defence even though its primary function is strategic intelligence support to defence Ministers and the Defence Staff (as distinct from tactical intelligence work by the Army's Intelligence Corps). DIS possesses a substantial cohort of all-source intelligence analysts as well as collection capabilities such as the Joint Air Reconnaissance Intelligence Centre which handles imagery intelligence from satellites, 'air-breathing platforms' such as aircraft and drones.

None of these agencies is, or has ever been, able to fully undertake its activities single-handedly. For example, during the Second World War, for example, counter-espionage efforts by SIS and MI5 against Nazi Germany depended profoundly on the fact that GC&CS was reading German intelligence service communications collectively designated ISOS (Hinsley and Simkins, 1990). GC&CS did not intercept that ISOS traffic. The interception of those communications was undertaken by the so-called Y organisation which was a network of Army signals units, Royal Navy vessels and shore stations as well as aircraft and ground stations of the Royal Air Force. A late addition to

this was a interception network called the Radio Security Section run by SIS that specialised in detecting clandestine transceivers in use by hostile agents and their controllers (Davies, 2004b, pp.142-148). At the same time, the various single-service interception branches generated material of use to the other services. Consequently during the interwar years the Army signals intercept effort at Aden was collecting material chiefly useful to the Air Force while the Navy intercepted Italian air force communications in the Aegean and North Africa (Hinsley, 1979, pp.23-24). In much the same fashion, the 'double cross' scheme in which German agents were captured and played back at their controllers as sources of deception also had to be managed jointly. The activities of German intelligence on the continent naturally fell within SIS jurisdiction while the agents they deployed to Britain were mainly within MI5 jurisdiction. And sometimes agents like Dusko Popov (codenamed TRICYCLE) would journey abroad, requiring a transfer of control from MI5 to SIS (Hinsley and Simkins 1990 pp.147-148). Furthermore, the degree to which the double-cross agents' German controllers were taken in by the deception could be monitored through their telecommunications through ISOS. GC&CS, for their part, were also fundamentally dependent on SIS's technical division, Section VIII, to provide the secure short-wave wireless communications network of Special Liaison Units that made their codebreaks available to far-flung theatre commands that needed the intelligence for the conduct of a global war (Davies 2004 pp.135-136). Even more dramatically, SIS and MI5 operated jointly staffed counter-intelligence units in the Middle East and Far East theatres where MI5's jurisdiction over colonial possessions overlapped with SIS' remit outside the 3 mile limit. These joint units were designated Security Intelligence, Middle East (SIME) (Hinsley and Simkins 1990 pp.150-153) and Security Intelligence, Far East (SIFE) respectively (Aldrich, 2001, pp.496-497). And, of course, the armed service intelligence branches that controlled most the Y service intercept facilities looked to GC&CS to turn the raw, coded intercepts into useable, decrypted intelligence.

After the Second World War, the pattern of interagency collaboration and mutual assistance intensified with the activities of the various national agencies decreasingly separable. GCHQ maintained a representative at SIS headquarters' Requirements side on the one hand tasking the latter's operational Production side in the pursuit of agents with access to technical information about communications systems and cryptomaterials. The famous Vienna tunnelling operations and their more troubled successors in Berlin in the early 1950s embodied this kind of pattern. An SIS source in Vienna identified the location of telephone cables in the Soviet sector which passed close to the British zone. The General Post Office (which in those days controlled telephones as well as the mail) provided line-tapping expertise from its research office at Dollis Hill and GCHQ provided advice and assistance in processing the land-line intercept materials (Stafford, 2003, pp.95, 124). The GC&CS/Y organisation pattern was carried over with GCHQ and the quad-service (Navy, Army, RAF and civilian) Composite Signals Organisation (Cabinet Office 1993, p.21; Lanning and Norton-Taylor 199 p.19-20; Smith 1996 pp.179, 187). From the early 1960s SIS and MI5 maintained a joint technical research and development unit which both developed technical espionage techniques and counters against the same for the two agencies. And from 1966 they began to operate the first of a series of joint operating sections housed at MI5 which targeted Communist block

facilities and personnel such as embassies and trade delegations in the UK. The joint effort was required because while those facilities were within MI5's geographical jurisdiction they were still legally foreign soil. Rather than try to decide which agency had the better claim regarding their overlapping jurisdictions, the solution was to have the two work hand-in-glove, and to good effect. One of the earliest and easily the best known success of the Soviet joint section was the recruitment and defection of Oleg Lyalin which led in turn to the expulsion of 90 Soviet intelligence officers from their embassy and the UK becoming as close as a democracy can be to a 'hard target' for the KGB's espionage efforts in the west. Eventually this formula was expanded for the joint targetting of China's diplomatic presence as well as Irish and international terrorism (Davies 1994 pp.277-278). More recently, of course, this form of closely interwoven jointery has been extended on a 24/7 basis in the Joint Terrorism Assessment Centre (JTAC) housed at MI5 but staffed from across the entire UK intelligence community (Cabinet Office, 2005, p.13).

The degree to which this interagency interdependency has continued has been encapsulated recently in the 2006-2007 report of the Intelligence and Security Committee. The current emphasis across the government including the intelligence community on countering terrorism, and the Security Service expanding to unprecedented levels (eventually larger than even its maximum Cold War or World War Two strengths) has placed significant demands on MI5's fellow agencies. This is particularly pronounced for GCHQ because of the central role of intercepted communications in investigating terrorist activities. On the question of recent increases to GCHQ's portion of the Single Intelligence Account – the national intelligence budget – the Director of GCHQ observed to the Intelligence and Security Committee of parliamentarians of his agency's funding and expansion

How much we need to grow will depend more or less on how much ministers decide to grow the Security Service. So our CT [counter-terrorism] capability will need to keep pace so that we can support the number of operations that they are running... By the end of the year we had found that we were managing to support most of the Security Service's highest priority operations, but we were not achieving the quality of support that we and they had agreed we should aim for ... essentially because we were spreading ourselves too thin.... (ISC 2007 p.15).

The result has been a network of *quid pro quos* in which the various agencies depended one on the other for critical inputs to their own activities, and in return provided their own output and increasingly collaborative operational effort to their partner agencies. Indeed, the most common form of dispute between intelligence agencies in the UK has been when one partner is perceived as falling short in fulfilling its reciprocal responsibilities. The potential for friction between GCHQ and MI5 over adequate sigint support for urgent counter-terrorism observations is hinted at in the GCHQ director's observations. During the Second World War there was a sustained dispute between SIS' counter-espionage branch Section V and MI5's counter-part B

Division to the effect that SIS was not being sufficiently forthcoming with ISOS materials and operational collaboration. In the event, a tour of Section V's facilities, then at St. Albans, convinced the MI5 officers that this was not the case, and also brought to their attention the fact that SIS actually had *more* counter-espionage work than MI5 going on against the Germans because of the global sweep of their operation. This was resolved in part when Section V was relocated to St. James' Street in London and the two teams were able to have closer and more regular contact (Hinsley and Simkins, 1990, pp.132-137). There is also the question of asserting and protecting bureaucratic turf, but even that occurs in the context of interagency jointery. A typical expression of this kind of turf protection occurred shortly after the DIS was established in 1964. When analysts in the new agency had the temerity to include political judgements in a couple of its strategic papers on China and the Soviet bloc in 1967 DIS was very quickly brought to book by the civilian policy departments on the Committee. It was informed in no uncertain terms that the political judgements were to be excised unless the papers circulated to the Foreign Office and Commonwealth Relations Office for comment and revision (JIC, 1967).

Given the basic degree to which the UK's intelligence organisations have to rely one upon the other is not the sort of thing that could be managed on a purely *ad hoc* basis. Consequently the permanent interagency national intelligence machinery of the Joint Intelligence Committee (JIC) in the Cabinet Office likewise reflects the prevalence of interdependency and *quid pro quo* relations between the UK's intelligence organisations. In its original incarnation, the JIC had no participation from the national agencies. Its original function was as service provider to the Joint Planning Staff of the Chiefs of Staff Committee. After the First World War it had become apparent that some degree of joint service effort was going to be a standing feature of armed service operations abroad. Consequently some sort of collaborative planning architecture was necessary for the three armed services, the Royal Navy, Army and Royal Air Force, to mount such actions. And joint planning created the necessity of a common, joint knowledge base on which to develop those plans (Willson 1957, p.298; Hinsley *et al* 1979, pp.35-43). Consequently, the JIC originally consisted in 1936 of representations from the three service intelligence branches, with the Foreign Office joining to provide an independent, 'acting' chair and a political dimension to the JIC's strategic intelligence deliberations (Hinsley, 1979, pp.39-40; Andrew 1987, p.591; Goodman 2008, p.46). It was only after the challenges of managing a diversity of intelligence agencies in wartime led to the Chiefs of Staff instructing the JIC to take on a coordination as well as analytical function that the national agencies were included (Hinsley *et al* 1979, p.160; Andrew 1987, pp.677-678).

The administrative machinery centred on the JIC expanded steadily and substantially. By the end of the war it consisted not just of the JIC proper and a JIC Deputy Directors subcommittee, but also a constellation of working-level subcommittees to manage specific issues such as scientific, imagery and strategic weapons intelligence, another geographical set of committees collating current intelligence from departmental sources, a Secretariat which managed the workflow and a Joint Intelligence Staff within which representatives from the JIC member departments drafted the analytical papers that were approved and signed off by the main JIC (Hinsley *et al* 1979 pp.248, 441). All of

this became collectively known as the Joint Intelligence Organisation. Until 1957 the JIC was nominally mainly a defence-centred entity despite its *ad hoc* national coordinating role awarded in 1941. Prior to the Suez invasion the JIC issued a series of reports warning of the substantial risks and potential blow back of the proposed action (Cradock 2002, p.119). The JIC was, however, in a difficult situation because as an intelligence assessment body it was not (and still is not) permitted to pass a judgement on policy or decision, only on the available intelligence information relevant to that decision. In the event, the warnings went unheeded by ministers, most particularly by Eden. In response JIC Chairman Patrick Dean and the other leading figures on the committee agitated successfully for the JIO to be relocated to the Cabinet Office (Atkinson 1957).

As a consequence of its move to the Cabinet Office both the JIO and Cabinet Office committee systems needed to be substantially revised. By the early 1960s the result was a trio of interlocking hierarchies concerned, respectively, with intelligence, security and policy. At the hub was the intelligence hierarchy, topped by a ministerial intelligence committee beneath which came the Permanent Secretaries Committee on Intelligence and Security Services (PSIS) which was concerned with approving intelligence budgets or 'intelligence estimates' (later the Single Intelligence Vote or Single Intelligence Account) and, after 1968, national requirements and priorities for secret intelligence (Cabinet Office 2003, p.17; Cabinet Office 2005, p.15; JIC 1957, 1968). At the executive interagency level was the JIC attended by the heads of the national agencies and chaired by the Foreign Office until 1983 after which the chairmanship was appointed from the Cabinet Office and representation from various policy departments typically at the Deputy Undersecretary level. From 1968, there was an Intelligence Coordinator from the Cabinet Office managing interagency relations and steering both the budgetary and requirements processes (JIC 1968). Under the JIC came a range of working-level interagency committees and support staffs, the two largest of which, the JIC Secretariat and the Joint Intelligence Staff (after 1968 the Assessments Staff) managed the JIO paper flow and drafted interagency assessments respectively (Herman 2001, pp.166-168; JIC 1957, 1968).

In parallel with the intelligence machinery was one for security. Again there was, at the top, a ministerial security committee and beneath that the Official Committee on Security (S(O)). S(O) bridged the PUS and executive level bands, chaired by the Cabinet Secretary like PSIS but attended by permanent secretaries from the Home Office, Foreign Office and service departments (later MoD) *as well as* JIC members such as the Director General of MI5 (Cabinet Office 1956, 1961, 1962, 1963, 1965) and, after 1968, the Intelligence Coordinator and subsequently the post-2002 Security and Intelligence Coordinator (Cabinet Office 2005, p.19). Under S(O) came a cluster of working-level committees on security policy, vetting and between 1996 and 2001 an S(O) subcommittee concerned with Security Service 'priorities and performance' (S(O)SSPP) supervised MI5 requirements and priorities until that function was subsumed under the JIC's wider national intelligence requirements process (Cabinet Office 1996 p.8, 2000).

The counterpart policy machine came under the ministerial authority of the Defence and Overseas Policy Committee (DOPC) prior to it being reorganised and

reconstituted as the National Security, International Relations and Development Committee (NSID) (Prime Minister's Office 2007). At the PUS level here was the Official Committee on Overseas Policy and Defence (OPD(O)), with its working-level Overseas Policy and Defence Staff (JIC 1968). These were reorganised as the Overseas and Defence Secretariat (ODS) in the 1990s. However, from its creation the JIC Chairman sat on OPD(O), joined by the Intelligence Coordinator after 1968 (JIC, 1968) and at least since 1990s the head of the ODS in turn sat on the JIC (Butler 2004 pp.12, 158). From July 1964 the DOPC/OPD(O) hierarchy also included a Joint Action Committee for coordinating covert political and paramilitary operations (Jones, 2003 p.111; JAC, 1964). Included under the DOPC/OSD hierarchy are also the executive-level Counter-Proliferation Committee and the Counter-Proliferation Implementation Committee, and the working-level Restricted Enforcement Unit where policy departments sit alongside the representatives from the intelligence agencies and JIO to coordinate efforts against weapons proliferation (Butler, 2004, pp.37-39; Scott 1996).

What this interlocking, tripple hierarchy provides is a set of forums for interagency coordination, bargaining, negotiation and accommodation intended to marshal a diversity of agencies into a hopefully reasonably coherent national effort. The system is neither foolproof nor error-free, as a succession of inquiries have shown over the decades. What they do achieve, however, is a structured environment for core executive dynamics to operate internally between the various elements of the UK intelligence community and externally with departments, agencies and services in the wider machinery of British central government.

The pattern of interdependency operates vertically as well as horizontally. Operational agencies depend on ministers for authorisations where an action may nominally violate UK law and Royal Warrants for the interception of communications or clandestine entry of premises, and senior civil servants for operational approval of less fraught activities (for a discussion of SIS operational review and approval see, for example, Davies 2004b, pp.222-223, 301-303). For their part, ministers rely on the intelligence community as the Intelligence and Security Committee has put it 'enable them to make decisions based on more information than is openly available' (ISC, 2004, p.9). This is not merely a question of the provision of secret sources but also coherent interpretation of what they mean one incorporated into that which is more readily known from open sources. And that is the role of all-source analytical work by elements like the Joint Intelligence Organisation, Defence Intelligence Staff and Foreign Office Research Analysts. Decisions which fly in the face of the available evidence will be very hard to sell to cabinet colleagues and junior ministers. Indeed, the one element of the Cabinet Office machine that collate the intelligence appreciations on Iraq with their policy implications and provide a very real challenge to the Blair's policy convictions was the very mechanism that he systematically marginalised. That was the ministerial Defence and Overseas Policy Committee and its Overseas and Defence Secretariat, left unused in favour of Blair's highly informal approach to cabinet government (Butler 2004 pp.146-148). Indeed, the intelligence and policy machines did try to sound the alarm at the last minute in February 2002. The JIC warned that invading Iraq might make the threat from terrorism – which the JIC judged the most important threat to UK security – worse in

February 2002 (ISC 2003 pp.34-35). But the really damning judgement came from the Overseas and Defence Secretariat who attempted to alert policymakers of the probable chaos that would develop in Iraq as a consequence of an invasion (Smith 2004). Both interventions were, of course, too little too late.

ii: As Organisational Politics

Given the specialisation of national and department intelligence agencies we would reasonably expect to see in any government it would appear that dynamics analogous to the core executive model should also bind those national systems together. And yet this is not the case. Indeed, for all of its fragmentation and on-going negotiated order, the comparative coherence of the British system appears to be the exception rather than the rule. In America, the effect is reversed and the diversity of the intelligence community proves divisive rather than cohesive. A common theme in academic accounts (see, for example, Andrew 1995; Jefferys-Jones 2007; Reibling 2002; Zegart 1999), legislative and presidential commissions of inquiry (United States Congress 2002; 9/11 Commission 2004; WMD Commission 2005) and independent reports (see, for example, Odom 2003) and internal reviews conducted by the US government (see, for example, Brown and Rudman 1996; Church *et al* 1976; Dulles *et al* 1948; HPSCI 1996; Kirkpatrick *et al* 1960; Schlesinger 1971) perhaps the single most consistent theme is a failure to achieve anything like the degree of interdependent integration and coordination of the various agencies in the US intelligence community.

A consistent feature of the historic failure of the US system to achieve a coherent unity has always been the weakness of the central official at the heart of the US intelligence community. Between 1946 and 2005, that figure was the Director of Central Intelligence (DCI). The DCI was dogged by two principal persistent problems. The most obvious of these was that he had two different and not always compatible responsibilities as both the nominal head of the intelligence community *as a whole* and as head of the Central Intelligence Agency, one of the agencies in that community. This was known as 'double hatting' and was generally seen as embodying something of a conflict of interest, one review comparing the situation as being alike a team sport in which the refereeing is being done by one of the players (Kirkpatrick *et al* 1960). A deeper difficulty was that although the DCI had formal responsibility for the coordination of the intelligence community he was never assigned the direct authority necessary to enforce that responsibility. In principle, to be sure, the DCI had some statutory authority under the 1947 National Security Act and executive powers under the various iterations of National Security Council Intelligence Directive 1 (NSCID-1) to try and enforce some measure of compliance on elements of the Departments of Defense or State and others. However but as Michael Warner (2001) indicates, those authorities never had sufficient force or credibility to be fully effective.

Because of the consistently adversarial nature of the US intelligence community the most compelling conceptual account of that system in recent years has come from the neo-institutional camp. Perhaps the most compelling current account of how the US fractured and fractious US intelligence community has come to take its present form and

why has been put forward by Amy Zegart (1997). Drawing on the approaches of neoinstitutionalism and organisational politics (see, for example, Cyert and March, 1963; March and Olsen 1984) which emphasise interdepartmental competition for primacy and influence, she argues that the major US executive branch departments such as State, Defense (and before the DoD was created in 1949 the individual armed service departments) have always been unwilling to give any ground over their access to, and influence upon, the president. Consequently when the machinery of national intelligence coordination centred upon the Director of Central Intelligence and the Central Intelligence Agency was set up, departmental pressure from the armed services and State ensured that CIA became not a single voice for the intelligence community but just one more in what she evocatively calls the ‘intelligence cacophany’ (Zegart 1997 p.190).

Both the core executive and neoinstitutional models are systems of inter-organisational bargaining and negotiation but with profoundly different outcomes. What, therefore, tips the scales between shared-sum collaboration in the UK and zero-sum competition in America? Apart from obvious differences in size, budgets and technical resources, there are also crucial differences in basic concepts of intelligence and agency role. Where the UK’s core agencies are single-source collection services each of whom holds a piece of a larger picture, the US core agencies are mainly all-source analysis organs. Each of the main American agencies, CIA, the Bureau of Intelligence and Research at the State Department, and the Pentagon’s Defense Intelligence Agency, produces complete pictures from all available overt and covert sources, often on the same topics as one another and often reaching differing conclusions. The result is a built-in duplication and potential for rivalry (Davies 2002). That inherent tendency towards rivalry is, moreover, amplified by a very different national managerial culture which is far less collegial and far more competitive than in the UK (Herman, 1996, pp.262-265; Davies 2004a).

Significantly, America’s attempts to reform intelligence since 9/11 and Iraq have borne little fruit. The long-awaited 2004 Intelligence Reform and Terrorism Prevention Act (IRTPA) tried to reckon with the weaknesses of the DCI system by divorcing leadership of the intelligence community from control of CIA. The community role would be taken on by a new Director of National Intelligence (DNI) who would have enhanced, but still profoundly limited, budgetary control. However, according to a November 2008 report of the DNI’s Inspector General noted that ‘[w]hile the leadership of some IC [intelligence community] elements support IC collaboration in principle, the culture of protecting “turf” remains a problem’, and still worse, within the very Office of the Director of National Intelligence (ODNI) ‘poor collaboration has resulted in “turf battles” among some of the ODNI offices’ (IG/ODNI 2008). It is evident that the 2004 IRPTA failed to address the institutional and cultural dynamics that crippled the DCI system because the Act was itself a product of the same dynamics. It is also evidence that the putative problem of the DCI ‘double hatting’ is more than a red herring, a rhetorical tactic to rationalise and conceal self-interested departmental resistance to central intelligence coordination.

iii: As Public Choice

Very much in the fashion of William Niskanen's theory of overproduction of public goods and services (see, for example, Niskanen 1973), an intelligence community consists of bureaucracy that supplies a product, intelligence, to elected politicians who provide the demand and the bureaucracy's budget. Michael Herman has speculated that there is a potential for intelligence agencies to play the part of Niskanen's bureaucrat who exaggerates the level of need for his or her services in order to secure enhanced budgets to build their administrative empire and be promoted onto higher and better rewarded tasks. He qualifies this tentative hypothesis with the caveat this is probably most applicable to large scale agencies involved in the production of technical intelligence (Herman 1996 pp.295-296). And certainly this appears to be true of the American National Reconnaissance Office (NRO). Responsible for developing highly cost-intensive overhead reconnaissance and surveillance systems like America's constellation of KEYHOLE satellites the NRO has one of the largest single agency budgets in the US intelligence community. It also has very close links to the aerospace industry that builds these costly systems, and consequently a powerful protecting lobby in Congress. This led the late William Odom (a former NSA Director) to observe grimly 'Having no responsibility for the production of intelligence products for users, the NRO is left with the traditional bureaucratic measure of its performance and power: how much money can it spend – the more the better. Cheap ways to obtain the same intelligence are unwelcome' (Odom 2003, p.25).

By contrast, however, one of the classic negative examples to the 'overproduction' model in public choice literature comes from the US intelligence community itself in the form of James Schlesinger. Schlesinger had made his reputation in Washington DC at the Office of Management and the Budget for cost-cutting at the Department of the Navy during a time of fiscal retrenchment at the turn of the 1970s, but is remembered much more clearly to this day for the swingeing cuts he made to CIA's Operations Directorate on becoming DCI in 1972 (Jackson 1983 p.134). But reflecting on Herman's caveat about size and technical intelligence collection one is also inclined to ask: what of smaller human intelligence and analytical organisations like SIS or the Defence Intelligence Staff? For them there are indications that the bargaining dynamics are more likely to be consumer-dominated and characterised by surplus demand. But absent any form of equilibrium pricing to discipline that demand, the effect of excess demand appears more likely to be akin to Garret Hardin's 'tragedy of the commons' and the problem of 'over-grazing' a depletable collective good. Unable to constrain consumer demands, such agencies will typically prove unable to provide for any one customer's demands adequately, let alone the total intelligence needs of the entire government (Davies 2004b pp.341-344).

Consequently, the UK intelligence community seems one of the most likely candidates for the manifestation of what Patrick Dunleavy has called 'bureau-shaping' behaviour. Under bureau-shaping, officials are subject to incentive structures that mitigate against seeking steadily larger and larger budgets, preferring to avoid the pressures and complications of expansion in favour of manageability and a quiet

professional life and focusing resources on a department's core business. Consequently, Dunleavy (1991 pp.203-204) has noted a range of strategies for actually paring departmental size back, two of which are immediately recognisable from UK intelligence experience. These are 'exporting troublesome functions' and 'load-shedding' in which bureaus try to avoid or give up certain unwieldy or non-essential tasks. The round-robin search for a home for the Radio Security Section in 1940 was typical of this tendency. The War Office signals branch MI8 tried to make the case for SIS or MI5 taking RSS off its hands because the latter's interception of hostile espionage communications was of purely 'security' interest. MI5, however, preferred to avoid taking RSS on in order to be 'spared any additions to its already heavy burdens.' There is no indication in the archive record of a particularly strong SIS preference one way or the other. However, on the grounds that SIS already had substantial wireless expertise through its secure communications organisation (which we have already referred to concerning the ULTRA-oriented Special Communications Unites), RSS was eventually given to SIS for lack of any apparent alternatives (Davies, 2004b, pp.142-148). Much the same pattern can be seen in the current system concerning the role of DIS. Even though numerous departments might have need of assessments on defence economic issues or chemical, biological, radiological and nuclear matters, they have typically been content for DIS to do that work on a national as well as MoD basis (Butler 2004 pp.142-143; Herman 2001 pp.82-86, 191, 194-195) rather than carry the costs of such specialist manpower on their own ledgers.

Intelligence and the Machinery of Government

Intelligence, therefore, can be understood in terms of paradigms of public administration and the organisation of government, and also provides often rather different and instructive optics on how government works in general. As Michael Herman has reflected, while SIS and MI5 'took their shape in the aftermath of the First World War and were not swept up into the standardization of the civil service in the 1920s ... GCHQ ... taking its modern identity in the late 1940s and 1950s, had aligned with [civil] service-wide Treasury style gradings and conditions as the natural way to go.' He further muses of SIS and MI5 that 'in their degree of autonomy they were the precursors of the "Next Steps" agencies of today [2001]' (Herman 2001 p.183). Indeed, the history of UK intelligence offers another parallel with more recent attempts at civil service reform. It should, after all, be apparent that the UK intelligence community had been engaged in what amounts to 'joined up government' for decades before the term became a buzz-phrase under New Labour. And yet there is no evidence that the joint intelligence machinery was ever examined as a potential point of departure in the sculpting of that policy. At times, it seems, intelligence is not as completely understood from within government as from without. **Nonetheless, as the preceding discussion should indicate, they can be meaningfully understood on exactly the same conceptual terms as the overt machinery of government.**

For all their notorious secrecy, **therefore**, intelligence agencies are not a mysterious world apart from the prosaic, work-a-day world of public management and administration. They interact with less arcane elements of the government continuously,

feed intelligence horizontally to working-level officials in the policy departments as well as vertically to senior civil servants and political decision makers. At the same time, they are fed into by that surrounding, overt apparatus through requirements laid upon them, budgets allocated, and the feedback they receive upon the product they generate in response to those demands. The result is a kind of internal market for intelligence. The overt and covert aspects of government interlock and interweave and must be understood together. Michael Herman has argued that the interagency 'jointery' of UK intelligence is 'symptomatic' of a more general 'interdepartmentalism' (Herman, 1996, p.278). That 'interdepartmentalism' is, in fact, reflective of the basic 'core executive' dynamics of British central government. In much the same fashion, the troubled history of interagency strife that characterises US intelligence is just as reflective of wider, more deeply entrenched problems of interagency coordination that go back decades, affecting everything from joint coordination of the armed services (prompting a succession of Defense Reorganisation Acts) to disaster response in the face of Hurricane Katrina in 2005. As John Bruce-Lockhart, one time Deputy Chief of SIS, observed pithily more than two decades ago 'any intelligence system is only as good as the government it serves' (Lockhart 1987 p.52). For both good and ill, that is as true of the organisation and management of a government as of its policies.

Editorial points:

- P3 Willson 1957 – not in ref list
- P6 Davies 1994 – not in ref list
- P 7 Andrew 1987 – not in ref list
- P10 Zegart – 1997 or 1999?
- P11 same comment as above (line 1 and line 11)
- P12 Niskanen 1973 – is listed as 1977 in ref list
- P 13 – Dunleavy 1991 – not in ref list
- P13 Herman 2001 – not in ref list (line 20 and line 31)

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