

## **Intelligence Reform in Europe's Emerging Democracies**

*Larry L. Watts*

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Intelligence reform is a critical element of democratization, but it is frequently relegated to the back burner in the early days of post-authoritarian regime transitions. This is due, in part, to a reflexive aversion to what was commonly the most brutal legacy of the former regimes. Transition populations tend to favor the destruction of intelligence apparatuses, not their reform.

In the post-communist transitions in central and eastern Europe, competing priorities also distracted attention from intelligence reform as political, economic, and other security institutions simultaneously underwent changes. Western biases shaping the packaging of reform assistance added to the relative neglect of intelligence. The West's early focus on market economy formation instead of the establishment of rule of law, as well as its pronounced unwillingness to assist what were still considered the “instruments of repression,” kept intelligence near the bottom of the reformist agenda during the first few years of transition.

The mechanics of intelligence liaison relationships between the West and the former communist states perpetuated this “hands off” attitude. Liaison officers sent into the region were chiefly responsible for obtaining information of use to their countries.

They were not sent to advocate or undertake the reform of local intelligence structures and practices. If information was flowing in a satisfactory manner, the unintended consequence was a distinctly anti-reform ethos driven by the logic: “If it ain't broke, don't fix it.”

Given recurrent intelligence and “political policing” problems in the transition states, it was inevitable that reform in those domains would eventually become a western priority, particularly after NATO opened its doors to new members in 1993. Unbridled political competition within the post-communist states, where the rules of the game were still in contention and abuses of executive power common, heightened concerns regarding the impact of partly reformed or unreformed intelligence services on an enlarged western alliance.

Unfortunately, the West's attempts to evaluate the intelligence reform process in the various states of the region were handicapped by the differences among the new democracies, which limited comparative analysis;<sup>1</sup> by the inappropriateness of western models developed under different political, social, and economic circumstances; and by the failure of western analysts to recognize that the post-Cold War revolution in intelligence affairs

conflicts in many respects with the classic model of intelligence reform. This article examines these challenges.

### Intelligence Reform in the West

Despite the reputation of intelligence-gathering as the world's "second oldest profession," national intelligence services were one of the last components of the modern state to be formally instituted, becoming prevalent only in the late 19th and early 20th centuries. This paradox underscores the informal and secret nature of what is essentially a practitioner-driven task. The characteristics of informality and secrecy reinforced the tendency among intelligence bodies to operate within limits set chiefly by their relative effectiveness, unhindered by restrictive mandates or clear regulation. The potential for abuse was always inherent in such wide-ranging discretionary powers.

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<sup>1</sup> Regarding Romania, for example, see V. G. Baleanu, *The Enemy Within: The Romanian Intelligence Service in Transition* (Camberley, UK: Royal Military College Sandhurst, Conflict Studies Research Centre, January 1995); V. G. Baleanu, *A Clear and Present Danger to Democracy: The New Romanian Security Services Are Still Watching* (Camberley, UK: Royal Military College Sandhurst, Conflict Studies Research Centre, 1996); and Dennis Deletant, "The Successors to the Securitate: Old Habits Die Hard," in Kieran Williams and Dennis Deletant, eds., *Security Intelligence Services in New Democracies: The Czech Republic, Slovakia and Romania* (New York, NY: Palgrave, 2001).

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The vital need for intelligence and the often-secret nature of intelligence-gathering make the effectiveness and control of national intelligence services two of the most important challenges faced by all democracies. Lacking effective intelligence services, a state cannot anticipate, prevent, or protect itself against major threats to its national security.<sup>2</sup> Where control is lacking, intelligence cannot be directed to serve legitimate national interests, civil liberties are placed at risk, and democracy itself may be undermined.<sup>3</sup>

Until the late 20th century, intelligence reform remained an internal concern of the respective services, just as oversight and control over intelligence activities was the monopoly of the executive. Neither reform nor control was considered an

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<sup>2</sup> Elizabeth Rindskopf Parker, *The American Experience: One Model for Intelligence Oversight in a Democracy* (Cambridge, MA: Harvard University, Project on Justice in Times of Transition, 15 October 2001), p. 1.

<sup>3</sup> *Intelligence Services and Democracy*, Working Paper Series No. 13 (Geneva, Switzerland: Geneva Centre for Democratic Control of Armed Forces, April 2002), pp. 1-2.

appropriate topic for public discussion; in some cases, the very existence of the service was denied to the public.<sup>4</sup> Legislative oversight—the essence of democratic control—was completely absent even among the consolidated democracies; virtually no standards of democratic accountability were applied to intelligence beyond that exercised by the democratically elected executives to whom the services were subordinated. As a result, intelligence services enjoyed an extremely large degree of operational autonomy in the national security arena.

Shortly after World War II, the United States took the initial step toward major change when it introduced the first public laws establishing the mandates and powers of the intelligence services: the National Security Act of 1947 and the CIA Act of 1949.<sup>5</sup> The next step was also undertaken in the United States, provoked by public revelations regarding civil rights abuses by various civilian and military intelligence services during the

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<sup>4</sup> Swedish citizens became aware of their service in 1973 as the result of public scandal. Until quite recently, the existence of the US National Security Agency was officially denied, despite general public knowledge of it.

<sup>5</sup> The Act of 1949 also established the Department of Defense and a number of other fundamental structures and hierarchies in the national security sphere. Michael Warner, *Central Intelligence: Origin and Evolution* (Washington, DC: Center for the Study of Intelligence, Central Intelligence Agency, 2001).

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late 1960s and early 1970s.<sup>6</sup> Scandals prompted the creation of the Senate and House Committees on Intelligence in 1976 and 1977 to ensure that abuses could not be so easily perpetrated in the future.<sup>7</sup>

Within a short time, similar scandals erupted elsewhere in the democratic world as more sophisticated populations began demanding greater accountability and respect for civil rights from their intelligence services and executives.<sup>8</sup> In all cases, resulting reforms were undertaken in a relatively benign security environment. The general consequence in the northern half of Europe was the creation of various, primarily legislative, oversight bodies entitled to the necessary levels of information

<sup>6</sup> See, for example, Athan Theoharis, *Spying on Americans: Political Surveillance from Hoover to the Huston Plan* (Philadelphia, PA: Temple University Press, 1978). Reforms introduced as a result of abuses are described in John T. Eliff, *The Reform of FBI Operations* (Princeton, NJ: Princeton University Press, 1979); and Loch K. Johnson, *America's Secret Power: The CIA in a Democratic Society* (New York, NY: Oxford University Press, 1989), especially pp. 133-255.

<sup>7</sup> See Johnson, *America's Secret Power*, and Glenn Hastedt, ed., *Controlling Intelligence* (London, UK: Frank Cass, 1991).

<sup>8</sup> In Sweden, for example, the Defense Intelligence Operations Committee was set up in July 1976 following the 1973 “*IB-Affären*” scandal. Geoffrey Weller, “Political Scrutiny and Control of Scandinavia's Security and Intelligence Services,” *International Journal of Intelligence and Counterintelligence* 32, no. 2 (Summer 2000), p. 181.

that would permit them to better control intelligence organs.

It is worth emphasizing that this wave of intelligence service reform did not reach the shores of all western democratic states. It affected North American and northern European services principally, and southern European services hardly at all. As of 2004, parliamentary oversight of intelligence was virtually absent in France and marginal in Greece, Italy, Portugal, and Spain.<sup>9</sup>

The central tasks of this wave of intelligence reform were to establish effective civilian control over intelligence, reduce the role of intelligence agencies in non-intelligence areas, and ensure respect for civil rights. Widespread consensus on the need for substantive

<sup>9</sup> Alain Faupin, “Reform of the French Intelligence Services After the End of the Cold War,” paper presented at the workshop on “Democratic and Parliamentary Oversight of Intelligence Services,” Geneva, Switzerland, 3-5 October 2002, Geneva Centre for the Democratic Control of Armed Forces, pp. 6-10; and Jean-Paul Brodeur and Nicolas Dupeyron, “Democracy and Secrecy: The French Intelligence Community,” in Jean-Paul Brodeur, Peter Gill, and Dennis Tollborg, eds., *Democracy, Law, and Security: Internal Security Services in Contemporary Europe* (Burlington, VT: Ashgate, 2003), pp. 19-23.

reform to enable real democratic oversight was accompanied by a similar consensus on the need for competent intelligence services. The aims of the reformers were to restructure legal and oversight frameworks, intelligence bodies, and intelligence procedures and practices in full conformity with democratic principles and in such a manner as to retain their effectiveness. Democratic oversight and operational effectiveness were maintained as goals of equal value, even if effectiveness was not an explicit element in the reform project.

### Changing the Reform Model

After the Cold War, especially after the 11 September 2001 terrorist attacks on US soil, a new wave of reform focused more on effectiveness and functional coordination than on control *per se*. The propelling force behind this wave was the recognition that combating the new threats of terrorism and the activities whereby it is funded—drug trafficking, money laundering, and organized crime—required greatly enhanced interagency communication, cooperation, and intelligence sharing on the national and international level. The ramifications of this coordination are broad, including the building of common databases, creation of intelligence clearinghouses, invention of new forms of organizational collaboration, and even institutional mergers. Paradoxically, apart from the new threat that prompted it, these reforms were undertaken in perhaps the most benign security

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**Law enforcement was ahead of intelligence in terms of international cooperation.**

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environment—in terms of traditional threats—that the United States and western Europe had faced in over half a century.

Law enforcement organizations had the advantage over intelligence agencies as the paradigm shifted from a classic *realpolitik* world of unmitigated inter-state competition towards greater cooperation in the post-Cold War era. International police cooperation was initiated with the rather half-hearted organization of INTERPOL in 1914, and evolved into the more effective TREVI Group in 1975 and the European Police Agency (EUROPOL) in 1991, before encompassing regional arrangements, such as the Southeast European Cooperation Initiative to Fight Cross-Border Crime (SECI) in 2000.<sup>10</sup> In contrast, intelligence services remained relatively isolated from their counterparts in the security sector, as well as from international and globalizing developments. Regular European *intelligence* cooperation began only at the end of the Cold War with the informal Club of Berne.

The 9/11 attacks accelerated efforts to transform the orientation of intelligence services from rivalry, both domestic and international, to cooperation against the

new threats. This was an unprecedented situation for intelligence services where considerations of secrecy, trust, and national security made them the strongest bastion of the nation-state and its sovereignty against all other states and their institutions.<sup>11</sup>

While acknowledging the critical need for expanded cooperation, a number of experts have called attention to the problems that greater collaboration is likely to pose for both effectiveness and control. “The capacities embedded in existing intelligence organizations are both powerful and hard to create,” one scholar observes, raising the danger of “demolishing them for something new” that may not meet the current challenges.<sup>12</sup> Another expert points out:

*However much they are interleaved, domestic and foreign intelligence agencies in democracies are subject to very different legal and political restraints, and develop distinc-*

*tive casts of mind as a result. Merging them hardly seems practicable or desirable.<sup>13</sup>*

### Context of Reform in Eastern Europe

The few institutionalized cooperative intelligence arrangements that existed prior to the end of the Cold War could be divided into two categories: those that grew out of historically and culturally conditioned voluntary alliances, and those that resulted from direct subordination of a service to a foreign state. The first category was largely confined to the anglophone states—the United States, the United Kingdom, Canada, Australia, and New Zealand. The second category included the Bulgarian, Czechoslovak, East German, Hungarian, Polish, and Romanian intelligence services, which had been directly subordinated to the Soviet NKVD/KGB since the late 1940s.<sup>14</sup>

Early post-Cold War attempts to establish broader cooperation illustrate the continuing “bleed over” of Cold War mentalities and rules of the game into the new environment. For example, in May 1993, the United States and Romania co-sponsored the first

<sup>10</sup> Paul Swallow, “International Police Cooperation and the Interface with the Security Services,” paper presented at the conference “Intelligence and Security Services in the 21st Century Security Environment,” 26-28 September 2002, Snagov, Romania, p. 5.

<sup>11</sup> *Ibid.* As Swallow notes: “Given their role in defending the interests of their nation-states, often from espionage, there is no formal mechanism for them to cooperate internationally.”

<sup>12</sup> Gregory F. Treverton, *Reshaping National Intelligence for an Age of Information* (Cambridge, UK: Cambridge University Press, 2001), p. 249.

<sup>13</sup> Michael Herman, “Intelligence After 9/11: A British View of the Effects,” in *Commentary* (a publication of the Canadian Security Intelligence Service), no. 38 (Summer 2003), p. 7.

<sup>14</sup> Romania weaned its services from Soviet control in the 1960s, while the other services remained under Soviet control until 1989-91.

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joint meeting of Black Sea intelligence services in Romania.

Although by many measures the meeting was considered a success, the CIA representative delegated to chair the meeting accused his Romanian co-sponsor of breaking into his briefcase during the proceedings, thereby scuttling the initiative and setting the US-Romanian intelligence relationship back several years.<sup>15</sup> The CIA representative, Aldrich Ames, was later exposed as a Soviet/Russian double agent. Other intelligence cooperation initiatives launched since 1989 include the Dutch-sponsored Middle European Conference in 1994 and two Romanian-sponsored conference series, one bringing together the Balkan services and the other NATO and candidate-member services in 2002.<sup>16</sup>

A number of conditions sharply differentiated the post-1989 intelligence reform efforts of central and eastern Europe from earlier reform in the West. Among the most important were: an appre-

ciably less benign security environment; the fragility of new political regimes and their institutions, along with the democratic values and norms that underpin them; the profound lack of intelligence expertise and competing priorities for reform attention and resources; foreign control of local intelligence services; the availability of outside assistance; and the widespread perception of legacy institutions as “the enemy” to be vanquished and of legacy personnel as criminals from whom an accounting was demanded. Each of these conditions affected intelligence reform.

**General Insecurity and  
Unconsolidated Institutions**

To achieve its twin goals of control and effectiveness, intelligence reform in the West had been the product of serious analysis and cautious planning. The measured pace of reform presumed the existence of stable democratic institutions and a secure environment free of perceived immediate threats that might otherwise drive or condition the reform process. In most post-authoritarian states such conditions do not prevail. They certainly did not exist in the central and eastern European post-

communist states, where simultaneous political, social, and economic transformations commonly resulted in unstable domestic institutions and perceived “threat-rich” environments.

Generally speaking, security and stability were stronger in those states that bordered directly on western Europe (Czechoslovakia, Hungary, and Poland), particularly in those that had engaged in regime-society dialogue long before their transformations (Hungary and Poland). The more isolated southeastern European states of Bulgaria and Romania, whose transformations did not benefit from such a dialogue, were less secure in the face of the armed conflicts that appeared along their borders as the result of the disintegration of neighboring states.<sup>17</sup> It did not help that some western democracies publicly encouraged the intervention of third parties or expressed support for further territorial divisions in the region during this period of institutional uncertainty.<sup>18</sup>

With the single exception of East Germany, all post-communist states either continued to rely on their legacy intelligence bodies

<sup>15</sup> Derrin Smith, “US Intelligence on Romania—Affected by Traitors Nicholson and Ames?” in *AFIO Weekly Intelligence Notes* #49-00, 8 December 2000, section IV.

<sup>16</sup> The NATO-designated Dutch representative who played a critical role in setting up these meetings was subsequently tried for attempting to transfer potentially illicit funds into Romania, resulting in a press scandal in Romania and the Netherlands that sought to discredit many of the same people who were trying to build a closer US-Romanian intelligence relationship in 1993.

<sup>17</sup> Many successor states (Serbia, Croatia, Bosnia-Herzegovina, Macedonia, Republic of Moldova, and Transnistria) became embroiled in civil conflict, were plagued by economic crisis, and faced the possibility of political collapse throughout the 1990s. Economic and political instability in Russia, Ukraine, and Belarus fueled insecurity in the already threat-rich environment.

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**In central and eastern Europe, internal fragility . . . raised fundamental rule-of-law issues.**

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irrespective of their compromised nature or created new institutions to fulfill this vital function before time could be devoted to a comprehensive reform plan. Bulgaria, Czechoslovakia, Hungary, and Poland all initially chose to maintain their intelligence services in basically the same structure and with the same personnel as under communist rule. Romania opted to dissolve its *Securitate* in the midst of the December 1989 revolution, creating its principal replacement service only three months later.<sup>19</sup> Under conditions of insecurity and instability, immediate need rather than careful planning drove the functioning of these services

Also in contrast to western democracies, the lack of widespread popular identification with or allegiance to newly-

formed core institutions in central and eastern Europe resulted in an internal fragility that amplified external sources of insecurity and raised fundamental rule-of-law issues. As one analyst notes: “A combination of open borders, general poverty, and unparalleled opportunities for enrichment through illegal enterprise create[d] the conditions for the emergence of criminal organizations rich enough to corrupt the political system to its core, to purchase immunity from prosecution, and in some instances to drain a major share of public resources.”<sup>20</sup>

The fact that democratic norms and values were not yet internalized contributed to these difficulties. The weaknesses associated with parliamentary, semi-presidential, and presidential democratic systems were exposed with regularity, as authoritarian reflexes continued to mark the behavior of new leaders, regardless of their rhetorical commitment to democracy.

Insufficient attention to these political and security realities impeded the West’s ability to judge the direction and pace of intelligence reform.<sup>21</sup>

**Competing Priorities and Lack of Expertise**

When the Western democratic countries undertook intelligence reform, none was simultaneously engaged in the fundamental reform of all state and government institutions that characterized most of the post-communist transition states. Theoretically, this could have been an advantage since it offered the potential for a coherent and holistic security-sector reform—basically, the chance to compress evolutionary development of intelligence institutions and move directly to a 21st century mode of operation. Practically, however, the recasting of entire states has meant thinly spread resources, insufficient administrative capacity, high levels of political uncertainty, and institutional confusion.

In the intelligence realm, competing priorities resulted in a shortage of experts outside the legacy intelligence services

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<sup>18</sup> For example, in an NBC broadcast of 24 December 1989, US Secretary of State James Baker expressed American support for Soviet intervention in Romania during the then-occurring revolution that overthrew Nicolae Ceausescu. Strobe Talbott and Michael Beschloss, *At the Highest Levels: The Inside Story of the Cold War* (Boston, MA: Little, Brown, 1993), p. 170 of 1994 paperback version. For Austrian and German support of the Yugoslav breakup, see Susan L. Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington, DC: Brookings, 1995), pp. 105, 146-190.

<sup>19</sup> Council of the National Salvation Front, *Decree No. 33 Regarding the Suspension of the Department of State Security*, 30 December 1989; and Provisional Council of National Unity, *Decree No. 181 Regarding the Establishment of the Romanian Intelligence Service*, 26 March 1990.

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<sup>20</sup> Lawrence Lustgarten, “National Security and Political Policing: Some Thoughts on Values, Ends and Law,” in Jean-Paul Brodeur, Peter Gill, and Dennis Tollborg, eds., *Democracy, Law and Security: Internal Security Services in Contemporary Europe*, p. 331.

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<sup>21</sup> *Ibid.*, pp. 332-33. Referring to the security intelligence domain in transition states, Lustgarten argues that a “fragile democracy may reasonably take measures that would be grossly excessive in a more secure political order,” with the provision that: “As democratic institutions and allegiances become more deeply-rooted, the tolerance of risk should steadily increase.”

capable of initiating and carrying out coherent reform—a far different situation than that which characterized the West when it engaged in the overhaul of intelligence. Intelligence reform projects in the West were able to draw on expertise and evaluative capabilities developed over decades within the system, not only among intelligence producers but also among their consumers and controllers.<sup>22</sup> Post-authoritarian states have not had enough time to build up the independent expertise necessary for conceptualizing and implementing intelligence reforms.

In many post-authoritarian states, legislatures must first be created—or recreated—and have time to establish their own legitimacy before they can begin to consider the problem of legacy intelligence services, much less oversee their reform. Once created, the parliaments of transition states frequently are unable to devote attention to this domain. In emerging democracies, intelligence reform often has to wait while fledgling institutions struggle to address the most visible public demands—such as economic development, health care, and education.

Legacy services have neither the organization nor the capability for public relations and civic outreach, handicapping their chances for burnishing their

<sup>22</sup> *Intelligence Services and Democracy*, p. 16.

NATO Membership



images. Referring to the Bulgarian services, one knowledgeable observer explains that communicating with the public has “never been part of the intelligence chiefs’ tool-box.”<sup>23</sup> In many tran-

<sup>23</sup> Nikolai Bozhilov, “Reforming the Intelligence Services in Bulgaria: The Experience of the Last Decade,” paper prepared for workshop on “Democratic and Parliamentary Oversight of the Intelligence Services,” Geneva Centre for Democratic Control of Armed Forces, 3-5 October 2002, p. 10.

sition states, therefore, the public debate on intelligence issues has been dominated by the media, whose traditional suspicion of authority and institutions that operate in secrecy has been heightened by a tendency toward economically motivated sensationalism.

### National Control and Loyalty

The history of institutional dependence on the Soviet Union for most eastern European ser-

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vices has posed unusual problems for intelligence reform. Czechoslovakia's immediate post-communist foreign-intelligence branch, for example, continued to function “under KGB tutelage and tasking” until the collapse of the Soviet Union.<sup>24</sup> And after Czechoslovakia divided, the Slovak intelligence service sent its officers to Moscow and welcomed Russian instructors to run programs in Slovakia until at least July 1996.<sup>25</sup> Analysts have continued to air concerns about “Russian penetration and vested interests” in Bulgarian intelligence because of Sofia's traditionally close relationship to Moscow.<sup>26</sup> This problem persisted right up until the second wave of NATO enlargement—the replacement of intelligence reformers and the reappearance of Soviet/Russian-trained intelligence officers in positions of leadership and influence threatened to block the NATO membership bids of both Slovakia and Bulgaria in 2003.<sup>27</sup>

In addition to NATO integration, Soviet and Russian influence over intelligence bodies had important ramifications for internal democratization in eastern Europe. The states that negotiated their revolutions—Hungary,

Poland, and, initially, Czechoslovakia—“grandfathered in” substantial numbers of personnel from the former regimes as part of the negotiation process, which caused considerable apprehension in NATO both before and after their accession.<sup>28</sup> Thus, establishing sovereign national control over the domestic security apparatus and the loyalty of its personnel became major objectives of post-communist reform efforts.

Romania's situation was somewhat the reverse of its regional *confreres*, with residual Russian influence stronger among intellectual and dissident groups than within the security services, a circumstance that affected post-communist intelligence missions, personnel, and institutional culture.<sup>29</sup> Romania had made significant strides toward getting out from under Moscow's

thumb in the 1960s. According to a former NATO intelligence service director responsible for monitoring the activity of Soviet bloc services during the Cold War, this break ended the participation of Romanian intelligence officers in joint operations with the KGB and GRU.<sup>30</sup> Bucharest even went so far as to create departments that specialized in anti-KGB counterespionage, underscoring the difficult relationship with Moscow.<sup>31</sup>

Since Romania's communist leadership had usurped the national banner when the country became autonomous, the goals and activities of anti-government activists in succeeding years inadvertently made them “natural allies” of Moscow, which targeted many for recruitment.<sup>32</sup> Judging from the size of

<sup>24</sup> Kieran Williams, “Czechoslovakia 1990-92,” in Williams and Deletant, p. 64.

<sup>25</sup> Kieran Williams, “Slovakia since 1993,” in Williams and Deletant, p. 145.

<sup>26</sup> Bozhilov, p. 11.

<sup>27</sup> “Security Concerns in Bulgaria” and “Slovakia: NBU Chief Sacked,” in *Jane's Defense Intelligence Weekly*, 8 October 2003.

<sup>28</sup> Jane Perlez, “Touchy Issue of Bigger NATO: Spy Agencies,” *New York Times*, 4 January 1998; and “Spionage bei Freunden,” *Der Spiegel*, 6 April 1998.

<sup>29</sup> US 98th Congress, Senate, Committee of the Judiciary, “Communist Bloc Intelligence Activities in the United States,” testimony of former Czechoslovak *StB* officer, Josef Frolik, 18 November 1975.

<sup>30</sup> Interview with Tjeerd Sbbeswijk Visser, former director of Dutch Intelligence and president of the Europe 2000 Association, by Radu Tudor, “Traditia anti-KGB a Romaniei poate fi un avantaj in cursa pentru integrare [Romania's Anti-KGB Tradition Can Be an Advantage on its Integration Path],” *Ziua*, 8 June 2002. Set up in 1989-90, Europe 2000 assists reform of law enforcement and intelligence bodies in the former communist space. A number of journalists and commentators in the Romanian press reject any difference between Romania and the rest of the Warsaw Pact in intelligence cooperation with the KGB. See, for example, Dan Pavel, “Imunitatea politica a Securitatii [The Political Immunity of the *Securitate*],” *Ziua*, 4 November 2002.

<sup>31</sup> The Romanian services supplied advanced Soviet technology to the United States beginning in the late 1970s. Benjamin Weiser, “One that Got Away: Romanians Were Ready to Sell Soviet Tank,” *The Washington Post*, 6 May 1990.

its embassy cultural section, Soviet efforts to influence dissident intellectuals increased during the last years of Ceausescu's reign.<sup>33</sup> In one supremely self-serving operation mounted in the immediate aftermath of Romania's 1989 revolution, a demonstration was whipped up and maintained for several days in front of the previously secret office of the *Securitate's* anti-KGB unit calling for the unit's dissolution as a "repressive organ." Unable to dissuade the demonstrators and fearing bloodshed, the new leadership disbanded the unit. Romania did not recreate a counterintelligence unit for combating the operations of hostile foreign services until 1994.

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<sup>32</sup> The loyalty of Romania's first head of domestic intelligence, Dr. Virgil Magureanu, was suspect for these reasons. Magureanu was named to the post in March 1990 primarily on the basis of his "dissident" status when teaching at the communist party's social science academy during the 1980s. He hid his previous membership in the *Securitate* from the authorities that named him to the post (an affiliation exposed in the press only years later). Immediately after his appointment, in April 1990, he met secretly with KGB Chief Evghenii Primakov without informing political authorities in Romania. The Romanian presidency and government remained unaware of Magureanu's Soviet contacts until 2003, when the Western services that monitored those contacts informed Bucharest. Magureanu's activities, the fact that the CIA chief in Bucharest during 1990-92, Harold James Nicholson, was later exposed as a Soviet agent, and the 1993 Ames incident, effectively rendered closer intelligence relations with the West impossible during the first half of the 1990s.

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### The Role of Western Assistance

Globally, models for intelligence reform in post-authoritarian states either did not exist or were not attractive. Therefore, willing cooperation with more advanced partners provided a key impetus to the intelligence reform process. Not only could service personnel come into close contact with more functional organizations and effective procedures, but also such relationships placed independent experts in positions to judge the performance of the new services by the quality of their product. Such cooperation had the potential to jump-start stalled reform in some cases, as was shown for a short while at least in Bulgaria during the Kosovo campaign.<sup>34</sup>

Despite the potential value of outside help for intelligence reform,

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<sup>33</sup> One Russian agent, known as "Volodya," was particularly active with journalists and intellectuals in the mid- and late-1980s. Individual *Securitate* officers were still targeted and turned the old fashioned way, but institutionalized penetration of the services was ended and service relations discouraged. *Securitate* officers working under diplomatic cover abroad, for example, were forbidden to accept any invitations to Soviet embassy functions.

<sup>34</sup> Bozhilov, "Reforming the Intelligence Services in Bulgaria," p. 11.

however, barriers to obtaining assistance in the immediate aftermath of the communist collapse included the reluctance of Western governments to dirty their hands by dealing with formerly repressive institutions. Exceptions were made, but the general policy was that the new political and institutional leaders should complete their intelligence reforms before Western states and their services would engage with them—a counterproductive policy, given that those leaders had no expertise to address the issue coherently or effectively. Without expertise or outside assistance, the results of intelligence reform efforts were uniformly sub-optimal—and sometimes disastrous.

States that either engaged in more organized transformations (Czechoslovakia, Hungary, Poland) or built their intelligence services from scratch (the Baltic States) received aid sooner than the states of southeastern Europe where greater transformation problems existed across the board. Thus, access to Western intelligence assistance initially was not available to those states and services most in need of it. It is hard to overemphasize the significance of this factor. It not only perpetuated the inability of the southeastern European states to deal effectively with the threats that arose with the end of the Cold War—threats that also impacted on the national security of European Union and NATO states—but also barred those services from benefiting from the only

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existing repository of democratic intelligence reform expertise.

NATO, which lacks a standing intelligence capability beyond support for combat operations, was not a natural institutional model for intelligence reform. Nonetheless, the alliance played an indirect role by establishing criteria for membership that were subsequently fulfilled to a greater or lesser degree by the entire group of former Warsaw Pact transition states (with the exception of Russia). The availability of outside assistance, particularly from an international alliance that the new leaders and populations of central and eastern Europe wanted to join, proved extremely valuable for reforming intelligence bodies.

The imperative for intelligence services to cooperate rather than compete with each other against the variety and multiplicity of post-Cold War threats also proved a major boon to intelligence reform in central and eastern Europe. Cooperation has required the creation of mechanisms for judging the effectiveness and control of services in the emerging democracies and has provided experience to officers of those services regarding the organization and procedures of more effective and better-controlled western services. It has even created an informal set of common standards. The demands of procedural interoperability in the new security environment have already contributed to the suc-

cess of these services in adapting to the new paradigm.

### Testing Loyalty

For the first decade after the collapse of communism, citizens' memory of former secret police organs continued to dog the reputation and image of most of the post-communist intelligence services. As of 2003, for example, the Czech intelligence service's Web site stated that the experience of the communist-era security apparatus "still raises fear and suspicion that the new service will once again turn into a secret political police."<sup>35</sup>

Post-authoritarian intelligence services undergoing reform are inherently vulnerable to charges of "continuity," and the post-communist services were no different. By maintaining some of the same structures and personnel as under the previous repressive systems, they were open to accusations that few, if any, changes had occurred. That some of the same types of units continued to exist is understandable, given that alongside their repressive political policing activities, authoritarian security apparatuses had units that per-

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<sup>35</sup> Web site for Czech security intelligence service: [http://www.bis.cz/eng/a\\_index.html](http://www.bis.cz/eng/a_index.html) (accessed on 30 May 2003).

formed legitimate core intelligence functions identical to those performed by intelligence services in long-established democratic states. The continued employment of experienced personnel is likewise logical if effective intelligence collection is to remain a priority.

East Germany and Czechoslovakia were the only two eastern European countries that avoided the continuity trap. In East Germany, the *Stasi* disappeared along with the East German state, and the well-functioning services of a unified Germany immediately took over all intelligence tasks. Czechoslovakia initially opted for a smaller version of the communist *StB*, manned exclusively by ex-*StB* officers, but then decided in December 1990 to completely remodel the service and remove all legacy *StB* personnel. The Czechoslovaks were able to undertake this measure, resulting in the loss of an intelligence capability for some six to seven years, because Western partners offered them security assurances.<sup>36</sup>

For countries that cannot obtain outside security guarantees, adoption of the "zero option"—eliminating all experienced

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<sup>36</sup> They were able to accomplish their goal by radically downsizing their service—from around 7,000 personnel to 1,000—primarily by transferring units to other security institutions, including the interior ministry, and restricting the new security intelligence service to purely local concerns.

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personnel—is untenable because it would render the new services incapable of performing intelligence tasks over the short and medium terms. For institutions undergoing major reform, excessive turnover would similarly compromise the effort.<sup>37</sup> Institutional memory is required for real transformation. Without it, new structures are likely to behave in old ways. Even where the temporary loss of intelligence capability is accepted and the requisite security guarantees are received, implementing the “zero option” requires time. In Czechoslovakia, for example, the number of ex-*StB* officers was reduced to 14 percent of the new service within a year, but six years later legacy personnel still represented 4 percent of the service.<sup>38</sup>

The argument for maintaining continuity of personnel is perhaps strongest for foreign-intelligence operations. The principal comparative advantage of the technologically-challenged and resource-poor services of the post-communist space is their human intelligence (HUMINT) capacity, particularly in areas of the world where terrorism and trafficking flourish. Since HUMINT is based above all on personal relationships, the replacement of all personnel necessarily destroys that capability over the short and medium terms.

<sup>37</sup> Dan Eggen, “Turnover Hinders Reorganization of FBI,” *The Washington Post*, 4 August 2002.

<sup>38</sup> Williams, “Czechoslovakia 1990-92,” in Williams and Deletant, p. 69.

Therefore, in central and eastern Europe, parties interested in destroying the effectiveness of the intelligence services joined in the chorus with those advocating the complete removal of legacy personnel for the more noble reason of a democratic fresh start. The exhortations of NATO and other Western institutions were often misrepresented as calling for the replacement of *all* experienced personnel when their concerns were confined to individuals previously involved in human rights abuses or operations against NATO, or those with questionable allegiance, since they would be handling NATO classified information.<sup>39</sup>

All of the emerging democracies have reduced the number of personnel in domestic security intelligence, primarily because their all-purpose security apparatuses were divided up to varying degrees into separate institutions with more specific tasks. Some also initiated a vetting—or lustration—process to purge the new services of personnel compromised either by their actual involvement in abusive actions or by their affiliation with substructures within the security

<sup>39</sup> See, for example, Dan Tapalaga, “Romania, Indemnata Sa Scape de Securisti [Romania, Required to Rid Itself of Securitate officers]” *Evenimentul Zilei*, 27 October 2003.

apparatus most associated with repressive political policing.

Romania was the first of the communist transition states to initiate a formal vetting of intelligence personnel—the culling began immediately after the security apparatus was subordinated to the defense ministry at the end of December 1989.<sup>40</sup> The process, completed at the beginning of February 1990, found 4,944 out of 15,312 personnel acceptable for re-employment in the new intelligence service. A further cut of 800 personnel that same month resulted in the re-employment of 4,144 (28 percent) of the ex-*Securitate* personnel in the new security intelligence service (SRI).<sup>41</sup>

Other countries followed suit. Czechoslovakia’s formal vetting, which lasted from February 1990 until the following August, found 11,395 (66 percent) of all ex-*StB*

<sup>40</sup> Council of the National Salvation Front, *Decree no. 4 on Transferring the Department of State Security and other bodies from under the Ministry of Interior to the Ministry of National Defense*, 26 December 1989.

<sup>41</sup> Gen. Victor Stanculescu presented the personnel figures for the fifth and sixth directorates (VIP protection and military counterintelligence) shortly after his appointment as Defense Minister in February 1990. SRI Director Magureanu gave a fuller accounting in his first report to parliament in November 1990, although he apparently undercounted personnel by about 1,000. See, for example, Deletant, “The Successors to the *Securitate*,” in Williams and Deletant, pp. 215-17. The SRI has since reconstructed a more accurate roster and made it public.

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officers suitable for re-employment in the intelligence domain.<sup>42</sup> Poland initiated its vetting at the end of July 1990 and completed it in mid-September 1990, judging 10,451 (42 percent) of all *SB* officers suitable for re-employment in the UOP.<sup>43</sup> Hungary did not initiate a formal vetting procedure. Its 1994 Act on Investigating Persons in Certain Important Positions was directed at politicians rather than active intelligence personnel. As one authority noted, this “lustration experiment has not resulted in the removal of any of those supporters of the previous totalitarian state security system still active in the reorganized intelligence community.”<sup>44</sup> Likewise, Bulgaria did not initiate a formal culling.

Undeniably, early post-communist vetting *was* useful. But it was not the panacea that all had anticipated. In the first place, personnel vetted out as undesirable were often recruited into other structures (especially interior ministries) where no vetting requirement existed. Secondly, even where substantial numbers of personnel were designated as unsuitable, enough were left to dominate the new services. Throughout 1990, for example, over 90 percent of the roster of Poland’s new UOP was composed

of former *SB* officers. Similarly, Czechoslovakia’s new UOUD was a miniature of its *StB* predecessor.<sup>45</sup> Only Romania’s SRI had significant new blood, but, even there, ex-*Securitate* members made up 60 percent of the personnel. Moreover, the SRI’s first director not only was a former *Securitate* officer but also had willfully concealed his background to get the post.

After 1990, Czechoslovakia showed the greatest dynamism in personnel policy, decreasing its ex-*StB* officers from 14 percent of its domestic-intelligence personnel in 1991 to 4 percent in 1993. After the division of the country, the successor service in the Czech Republic retained this exclusion. In contrast, the Slovak service created in 1993 relied almost entirely on former *StB* personnel for the next decade. Romania decreased the weight of ex-*Securitate* personnel in its SRI

from 60 percent in 1990 to 36 percent in 1994, and then to less than 20 percent in 1999. By 2003, it retained only 15 percent of its former security apparatus personnel. Poland’s service remained dominated by ex-*SB* officers through most of the 1990s, decreasing to 50 percent only in 1998.<sup>46</sup> Former officers also continued to dominate in Hungary and Bulgaria.

### Problems with Vetting

One of the principal reasons vetting and lustration could not deliver the anticipated benefits was that the various justice and legal systems—the bases for impartial evaluation—remained weak, vulnerable to corruption, and highly partisan throughout the first decade of reform. Consequently, political expediency often won over rule of law and fairness. Credible allegations of personal and political vendettas were widespread.<sup>47</sup>

The practice of limiting the process to the new domestic security services was also a drawback. None of the post-communist states began their transitions with a *comprehensive* vetting of

<sup>42</sup> Williams, “Czechoslovakia 1990-92,” in Williams and Deletant, p. 60.

<sup>43</sup> Andrzej Rzeplinski, “Security Services in Poland and their Oversight,” in Brodeur *et al.*, p. 112.

<sup>44</sup> Istvan Szikinger, “National Security in Hungary,” in Brodeur, *et al.*, p. 92.

<sup>45</sup> Rzeplinski, “Security Services in Poland,” in Brodeur *et al.*, p. 112; Williams, “Czechoslovakia 1990-92” in Williams and Deletant, pp. 62-3; and Oldrich Czerny, “Czechoslovak (Czech) Intelligence After the Cold War,” paper presented at workshop on “Democratic and Parliamentary Oversight of Intelligence Services,” Geneva Centre for the Democratic Control of Armed Forces, 3-5 October 2002, pp. 4-5.

<sup>46</sup> Rzeplinski, “Security Services,” in Brodeur, *et al.*, p. 112.

<sup>47</sup> Williams, “Czechoslovakia 1990-92,” in Williams and Deletant, pp. 57-59, 73-76. See also Helga A. Welsh, “Dealing with the Communist Past: Central and East European Experience after 1990,” *Europe-Asia Studies* 48, 3 (1996), pp. 413-28; and John Torpey, “Coming to Terms with the Communist Past: East Germany in Comparative Perspective,” *German Politics* 2, 3 (December 1993), pp. 415-35.

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**The lack of complete records undermined the credibility of the vetting process.**

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all intelligence and security services. Czechoslovakia was exceptional in vetting its police force and interior ministry, but it did not put its military intelligence service through the same scrutiny.<sup>48</sup> Foreign-intelligence careerists, especially, were rarely subjected to serious vetting, even though many had freely transferred to and from domestic-security units within the communist security apparatus.

As of mid-2003, the Czechoslovak Office of Foreign Contacts and Information (USZI) had not been vetted even though it had been under Soviet tutelage until at least 1990 and all of its personnel were *ex-StB*.<sup>49</sup> Although the 1990 Law on the UOP in Poland was also supposed to result in the verification of foreign-intelligence personnel, only “two or three of its 1,000 officers were found unsuitable,” and there was no review of its 1,600 military intelligence officers.<sup>50</sup> While all *Securitate* officers were ousted from Romania’s military intelligence service immediately after the revolution, vetting of its foreign-intelligence personnel was so poor during 1990-92 that an officer identified as having been doubled by the Soviet Union

(and France) in the 1960s was appointed as the first head of the new institution in January 1990.<sup>51</sup> Consistent intelligence failures during this officer’s tenure prompted his replacement in 1992, and the number of former *Securitate* officers was subsequently reduced to 18 percent of the foreign-intelligence service by 2003.

The lack of complete records on which to base vetting decisions and the malleable nature of evaluation criteria also undermined the credibility of the process. Many files were destroyed, lost, or stolen during the transition, making the process haphazard at best.<sup>52</sup> In addition, security personnel subject to vetting were

generally savvier than those carrying it out and were often able to manipulate the process.

The legitimacy of those carrying out the vetting was also problematic. None of the members of the civic groups involved in vetting and lustration first submitted themselves to verification. In some cases, the vetting boards were dominated by “expert” former officers of the communist security apparatus. The first chief of Czechoslovakia’s post-communist intelligence service, for example, denounced the Civic Forum experts that carried out the process as “morally discredited” because two of the three persons on the citizens’ committees that made vetting decisions were *ex-StB* officers, while *ex-StB* personnel made up 17 of the 23 persons on the expert panel that advised them.<sup>53</sup>

The highly subjective and politicized nature of the vetting and lustration process, and media exploitation of the issue, reduced its impact on intelligence personnel rosters. Even where the targets of lustration were high-

<sup>51</sup> Former *Securitate* officer Mihai Caraman was named to head foreign-intelligence in January 1990 on the proposal of Prime Minister Petre Roman, despite the fact that he had been identified as a Soviet agent in 1979 and then publicly exposed by a *Securitate* defector in his book whose contents were broadcast into Romania before 1989. See archives of the Romanian Intelligence Service, collection D, file 11200, vol. 37, pp. 2-5, and vol. 35, pp. 309-316, as cited in Mihai Pelin, *Culisele Sopianajului Romanescu: D. I. E. 1955-1980* (Bucharest: Editura Evenimentul Romanesc, 1997), pp. 272-76, 306-07. Also, Ion Pacepa, *Red Horizons: Chronicles of a Communist Spy Chief* (Washington, DC: Regnery Gateway, 1987).

<sup>48</sup> Tomas Horejsi, “Minister Tvrdik to Replace Army Intelligence Chief,” *Lidove Noviny*, 8 April 2003, <http://www.fas.org/irp/world/czech/armyint.html> (accessed on 4 November 2003).

<sup>49</sup> Williams, “Czechoslovakia 1990-92,” pp. 64-65, “The Czech Republic since 1993,” p. 111, in Williams and Deletant.

<sup>50</sup> Rzeplinski, “Security Services in Poland,” in Brodeur, *et al.*, pp. 112, 115.

<sup>52</sup> According to press reports, SRI Director Virgil Magureanu sold some files of extreme-right leader Corneliu Vadim Tudor for five paintings in the early 1990s. Razvan Sovaliuc, “Tribunal Recunoaste Ca L-A Mituit Pe Magureanu [The ‘Tribune’ Admits that He Bribed Magureanu],” *Ziua*, 7 November 2003. Magureanu illegally published part of his own file in 1992. It then “disappeared” from the archives, as did the microfilm roll on which it had been copied.

<sup>53</sup> Williams, “Czechoslovakia 1990-92,” in Williams and Deletant, pp. 60-61.

profile politicians, the process was not successful in implementing change. Hungarian Prime Ministers Gyula Horn and Peter Medgyessy did not pass vetting, for example, but neither was compelled to resign. At the same time, spurious charges were launched in the press against Polish President Lech Walesa and Prime Minister Aleksandr Kwasniewski, Romanian President Ion Iliescu, and a host of domestic- and foreign-intelligence chiefs in the region.

Despite less than ideal results, many of the central and eastern European states have expended significant time and resources on vetting and lustration, making headway in this difficult area. Vetting officials for access to NATO-classified information proved to be particularly effective primarily because the national security authorities that carried it out had been set up in close coordination with the alliance, importing its well-established procedures and criteria, and the process was monitored by NATO officials. In other cases, reliable vetting still awaits the longer-term development of embedded institutions and established procedures.

### **Conclusion**

Evaluating intelligence reform in the emerging democracies of central and eastern Europe is complicated by their simultaneous response to conflicting security paradigms, their varying reform contexts, and the often very different criteria used

by the evaluators, ranging from the ridiculous—the presence or absence of scandal—to the sublime—the extent of actual democratic oversight and real operational effectiveness.

The Cold War “model” of intelligence reform in the West was aimed above all at implementing democratic control through greater oversight and restricting the potential for abuse by separating intelligence agencies according to specific missions, constructing bureaucratic barriers to cooperation (and feared collusion), and encouraging inter-agency rivalry as part of the system of checks and balances. The same precepts held true for post-communist intelligence reform in an even more fundamental manner: “Monolithic” services were broken up into smaller services with each assigned a more narrowly defined mission, barriers were erected, and rivalries were encouraged.

However, this model stood in tension with, if not outright contradiction to, the requirements of the post-Cold War security environment, where effectiveness against new threats necessitated new forms of inter-service cooperation and reorganization. While traditional principles of separating military and civilian intelligence services may remain valid, the separation of foreign- and domestic-intelligence services and their tasks, as well as the separation of intelligence from law-enforcement bodies and their tasks, may

be on less certain ground. Clearly, the new levels of cooperation and convergence complicate the exercise of oversight and control and conflict with traditional models of reform. It is likely that new oversight and control mechanisms, or the modification of older arrangements, will be necessary.

The dynamism inherent in countries adapting to two contradictory reform paradigms adds immensely to the challenges facing the intelligence analyst, challenges already complicated by the substantial differences among the services of central and eastern Europe that prevent straightforward comparisons. How does one evaluate the salience of personnel vetting for intelligence sharing when the group of services includes one that was independent before 1989 along with six that were directly subordinated to Moscow until 1989-91? How can analysis factor in the effect of western expertise and material assistance that some have received since 1990, but others only since the middle or end of the decade? How does one judge the political neutrality of services in different parliamentary, presidential, and semi-presidential systems?

A new template must be developed to gauge intelligence reform in the post-communist countries. NATO's role in defining the security sector reform agenda through its Partnership for Peace and Membership Action Plans (MAP) has proven a major boon to intelligence reform in the region, but

there is no NATO model to emulate. Nor does the European Union provide a useful template. Both NATO and the EU fall short of supplying needed guidance because many of their long-time members exercise poor or no democratic control over their intelligence services and/or have recurring problems with operational effectiveness. The reforms that have proven of greatest utility are those previously undertaken largely in North America and northern Europe.

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**It is imperative that the West identify and agree on what constitutes ‘best [intelligence] practices.’**

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If the NATO MAP experience has proven anything, it is that outside assistance, when sought, is critical to the nature of intelligence reform. What is taught is important. It is imperative, therefore, that the West identify

and agree on what constitutes “best practices”—even if Western countries do not yet meet all of the standards themselves. Once agreed upon, these best practices could be made part of the official reform agenda for central and eastern Europe and incorporated into MAP requirements and EU conditions for membership. Useful evaluation against a system of almost universally valid “best practice” criteria might then be possible—as applicable in Brussels and Berlin as in Bratislava and Budapest.