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BEYOND THE SILOS:

ANALYTICAL CAPABILITIES AT THE INTERSECTION OF ECONOMICS AND SECURITY IN 20TH CENTURY BRITAIN

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Executive summary

The UK is facing a number of highly complex and uncertain policy issues. Problems at the interface of economics and national security have proved a particular challenge both historically and in recent years and will play a role in many of the critical policy questions of the coming decades. Reforming the British state so that it can thrive in this challenging new era is a crucial, long-term priority. This paper is the first of two developed by the Heywood team and Institute for Government that seeks to ensure that the centre of government in UK is adequately supported with the right analytical capabilities. This paper looks at the history of efforts in 20th century Britain to analyse issues at the interface of economics and security. It demonstrates that while these functions generally delivered successful policy outcomes, they often faced much resistance within the policymaking system and were run down from the 1970s onwards. It concludes that any effort to improve the UK's state capacity in economic security requires the full support of senior officials and Cabinet ministers to give it the authority it to run effectively. A second paper, published in the coming months, will examine the gaps in the current system in more detail and outline one model for how the centre of government in the UK could be reformed to further improve its ability to confront the policy challenges we face.

Introduction

We are entering a new era of policy complexity and uncertainty. The issue is not only an intensification of geo-political conflict but how this is playing out in a world that remains highly economically interdependent.[1] While history can offer important insights, it is important to appreciate that the Cold War offers no straightforward playbook given that the ideological divisions of the period mapped far more closely onto the economic ones.[2] In today's world, the relationship between economic prosperity and national security is even harder to generalise, and often in flux. This requires an analytical capacity that is nimble and responsive, able to judge highly technical issues on the merits of their case. Moreover, while there has been much international innovation that the UK can learn from, it is important to appreciate that all comparable countries are struggling with policymaking at this interface. Writing about the United States, Henry Farrell and Abraham Newman recently suggested: "Only a considerably reformed economic security state will be suited to a world that is both highly interdependent and filled with security risks."[3] This is as true for the UK as it is for the US.

As this paper demonstrates, part of the particularity of the British case is how state capacities that could potentially have been useful in this new era of geo-political competition have been undermined or abandoned from the 1970s onwards. Throughout the post-war decades, there was a

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[1] Jonathan Black, Jack Connolly, Amina Adjerid, Tom Kelsey, 'The Crossroads of Geopolitics: the intersection of security and economic interests – policy making in a more complex and uncertain world', *Blavatnik School of Government Working Paper*, January 2024, forthcoming.

[2] Henry Farrell and Abraham Newman, 'The New Economic Security State: how de-risking will remake geopolitics', *Foreign Affairs*, https://www.foreignaffairs.com/united-states/economic-security-state-farrell-newman?utm_medium=newsletters&utm_source=fatoday&utm_campaign=The%20New%20Economic%20Security%20State&utm_content=20231019&utm_term=FA%20Today%20-%20112017, last accessed 21 January 2024. The point about the need for a rejuvenated state capacity has long been made in relation to industrial strategy more generally. See for instance UCL Commission for Mission-Oriented innovation and Industrial Strategy, *A Mission-Oriented UK Industrial Strategy* (London, 2019), 49-60.

[3] Henry Farrell and Abraham Newman, 'The New Economic Security State: how de-risking will remake geopolitics', *Foreign Affairs*, https://www.foreignaffairs.com/united-states/economic-security-state-farrell-newman?utm_medium=newsletters&utm_source=fatoday&utm_campaign=The%20New%20Economic%20Security%20State&utm_content=20231019&utm_term=FA%20Today%20-%20112017, last accessed 21 January 2024.

well-resourced economic intelligence function that was slowly depleted after a high point in the mid-1960s. In addition, the Joint Intelligence Committee (JIC), which is still the key body in assessing issues of defence and foreign policy, worked on economic policy from the late 1960s into the early 1980s. For much of this period, there was also a central capacity in the Cabinet Office – the Central Policy Review Staff (CPRS) – devoted to cross-departmental analysis, which regularly dealt with issues of economic security, from industrial strategy to energy policy. Today, the situation is different. As our second paper will point out, while there have been productive efforts at improving analytical strength in the centre of government, issues that cross the domains of economics, defence, and intelligence do not have a natural home.

There are also lessons to be learnt from previous efforts: the most important is to highlight the institutional barriers that can confound analysis that crosses departmental boundaries. Producing good quality analysis of value to senior policymakers, as many of these endeavours did, is helpful but there must also be incentives within the policymaking system to support such work. Departmentalism, so ingrained into the Whitehall mindset, can work to undermine a broader view of the national interest. It is also important to highlight that investing in state capacity for economic security served Britain well in the past; and that the UK needs to follow the lead of some of its allies and bring more cohesion to analyse issues at the interface of economics and national security to ensure policymaking is fit for the challenges of the 21st century.

This paper examines the histories of key functions that analysed issues at the intersection of economics and security in 20th-century Britain. As noted in the executive summary, a subsequent paper will follow, detailing a model for how the analytical functions within the centre of government can be improved in 21st century Britain.

Facing complexity: economics, security, and analysis in 20th century Whitehall

Concerns about whether the centre of government is getting the right information are not new. Throughout the history of 20th century Britain, there have been several efforts to give either the Cabinet as a whole or the Prime Minister better analysis, from the Policy Unit set up under Harold Wilson in 1974 to the Strategy Unit established by Tony Blair in 2002. While these initiatives would also have important lessons, this section looks particularly at analytical capabilities that often worked at the interface of economics, defence and security, as well as examples where the secondary literature is reasonably well developed, namely, the economic intelligence functions within the Ministry of Defence (MoD), the Joint Intelligence Committee (JIC), and the Central Policy Review Staff (CPRS). As will be detailed below, these initiatives had different forms and functions but their shared histories tell us something more general about how to ensure that policy advice that crosses departmental boundaries works effectively, the chief of which is that power dynamics are especially important in this space. Producing high quality analysis of wider utility to the policymaking system is important but it is paramount to keep in mind that any analysis beyond departmental siloes will face an uphill battle to assert its authority. Careful thought must therefore be given to ensure the right incentives are in place to promote analysis that can see the national interest beyond departmental interests. In practice, this means placing skilled leaders in charge of these initiatives and ensuring that they have the backing of the Cabinet Secretary and Prime Minister.

Economic intelligence

In his official history of economic intelligence in twentieth-century Britain, Peter Davies argued that it demonstrated how there was no such thing as *the* intelligence community.[4] Instead, there was a deep rivalry where officials believed that the control of information was power and were resistant to efforts at centralisation. During the inter-war years, there was duplication and a lack of join-up in Britain's intelligence work, with the Armed Services' independent intelligence branches and the Foreign Office's own well-resourced political reporting capability, in addition to the work of MI5 and MI6. These economic intelligence efforts were moreover fairly narrow in their scope, largely concerned with the industrial and commercial might of enemy nations. From the 1920s into the 1960s, there was a process of rationalisation, which eventually gave Britain key strengths in economic intelligence.

The Second World War led many policymakers to believe that a well-developed economic intelligence capability mattered, in part due to a sense that pre-war preparations had not been adequate. There were some important institutional innovations during the inter-war years. The ATB Committee (the Advisory Committee on Trade Questions in Time of War) emerged from an effort to understand the lessons of the First World War. The UK's blockade of Germany was a crucial part of the war effort, and officials concluded that given its cross-Whitehall nature of the blockade, a permanent advisory body should be established to prepare the administrative machinery for war readiness.[5] By 1938, the Industrial Intelligence Centre (IIC) had 25 researchers, which was a substantial analytical resource for the time, and had moved out of MI6 into the Department for Overseas Trade, as it led the effort to understand the industrial strength of Britain's enemies across Whitehall.[6]

However, the consensus is that, while intelligence played an important role in supporting economic warfare, it did less well in understanding the economic conditions of Germany. The official history of intelligence during the Second World War suggested that there was only one instance where economic intelligence contributed to a strategic understanding of Germany's intentions: that their lack of oil made an attack on Egypt more likely.[7] One issue was that not enough work had gone into gathering key information in the build-up to the war. Topographical intelligence was especially neglected meaning that Bomber Command had to fly into Norway with maps from 1912.[8] Key figures in intelligence, such as Victor Cavendish-Bentinck, who was the chair of the JIC during the Second World War, believed that it was imperative to ensure that there were better preparations after the war to ensure better coordination of economic intelligence and a greater depth of knowledge.[9]

The result was the Joint Intelligence Bureau (JIB), established in 1946, whose main role was to assess the war potential of industrial countries. It was placed in the Ministry of Defence (MoD), then a small department, in which the JIB was central. By the end of 1948, the JIB had 348 staff. While it faced many opponents, it slowly gained power and responsibility through the 1950s and 1960s. Sir Kenneth

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[4] Peter Davies, *The Authorised History of British Defence Economic Intelligence: A Cold War in Whitehall, 1929-90* (Abingdon, 2019), 325.
[5] Orest Babij, 'The Advisory Committee on Trade Questions in Time of War', *The Northern Mariner*, 3 (1997), 1-10.
[6] Gill Bennett, *Churchill's Man of Mystery: Desmond Morton and the World of Intelligence* (Abingdon, 2009), 172-175.
[7] Huw Dylan, *Defence Intelligence and the Cold War: Britain's Joint Intelligence Bureau 1945-1964* (Oxford, 2014), 15.
[8] Ibid., 207.
[9] Peter Davies, *The Authorised History of British Defence Economic Intelligence: A Cold War in Whitehall, 1929-90* (Abingdon, 2019), 112, 176.

Strong, the first Director of the JIB, was capable, well-connected, and a crucial believer in integration.[10] However, it took a sympathetic Prime Minister for Strong's vision to be realized. Harold Macmillan wanted to restructure the defence machine and make economies, partly because he had a dispiriting time as Minister for Defence under Churchill in the mid-1950s, complaining that his department was blamed for all mistakes but that it had no meaningful power.[11] Macmillan merged the service ministries into the MoD to allow for greater coordination of policy and more rationalisation of resources. As part of this broader reorganisation, the three Service Intelligence Departments were merged with the JIB in 1964 to form the Defence Intelligence Staff (DIS). Strong, who still faced the opposition of the Chiefs of Staff after these reforms were made, was fortunate in that Denis Healey, who became Secretary of State for Defence after the Labour victory in 1964, was keen to support these reorganisations.[12] When Strong retired in 1966, he had effectively won the battle for integration.

When the JIB was being set up, there was a sense that accurate intelligence made economic sense and that a better understanding of the enemy would feed into more effective planning and outcomes. The JIB and later the DIS were effective in playing this role, helping with both preparedness for war and influencing policymaking. They had three main tasks: to inform the work of departments; to prepare JIC papers; and to compile information. They developed a series of detailed 'British Intelligence Surveys' on foreign countries, particularly the Soviet Union, using a wide range of sources, including business links and international expertise, to give commanders and planners a significant, usable data warehouse.[13] It has been suggested that the JIB had a more accurate picture of the Soviet threat than the United States, whose intelligence services were prone to exaggeration.[14] Certainly, the JIB made Britain less dependent on the US for its intelligence assessments and allowed them to challenge them in areas of difference, such as export controls on the USSR and China.[15] On many occasions, JIB assessments fed directly into policymaking. It was crucial for instance for the military to understand, via topographical evidence, that until 1953, the Soviets were too weak for both reconstruction and war.[16] The JIB embedded readiness not only in assessment but in the policy process too. By 1952, they had also developed a 'War Book' for economic warfare, similar to the inter-war work of the ATP Committee, that made the administrative machinery for such action clear.[17]

Despite a record of effective work, the MoD's economic intelligence function was always in a vulnerable position. The problem was a broader institutional one: that in producing economic intelligence for Whitehall as a whole, the MoD was in practice subsidising analysis for other departments, which meant that when cuts had to be made to departmental budgets, the leading officials within the MoD were more inclined to see its economic intelligence as capabilities that could be rundown.[18] As

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[10] Ibid., 183.
[11] G. C. Peden, Arms, *Economics and British Strategy: from Dreadnoughts to Hydrogen Bombs* (Cambridge, 2007), 275.
[12] Peter Davies, *The Authorised History of British Defence Economic Intelligence: A Cold War in Whitehall, 1929-90* (Abingdon, 2019), 201.
[13] Huw Dylan, *Defence Intelligence and the Cold War: Britain's Joint Intelligence Bureau 1945-1964* (Oxford, 2014), 209.
[14] Ibid., 211.
[15] Ibid., 69-106.
[16] Huw Dylan, *Defence Intelligence and the Cold War: Britain's Joint Intelligence Bureau 1945-1964* (Oxford, 2014), 212.
[17] Ibid., 216.
[18] Peter Davies, *The Authorised History of British Defence Economic Intelligence: A Cold War in Whitehall, 1929-90* (Abingdon, 2019), 311-314.

Peter Davies suggested, in this dynamic, the interests of departments won out against the national interest.[19] The DIS was renamed Defence Intelligence in 2009 and still has some important capabilities such as assessing weapons technology, but has been stripped of its economic expertise. By the end of the Cold War, the British state was left with no clear authority on economic intelligence, despite developing significant strengths the 1950s and 1960s. There was an attempt to use the Joint Intelligence Committee (JIC), but as the next section will show, this was unsuccessful for its own reasons.

Joint Intelligence Committee

One lesson from the history of the JIC is that it can take time for new organisations to gain authority. Up until the Second World War, the JIC was fairly ineffective. It was tasked with improving coordination of Britain's intelligence effort and limiting duplication but did not have representatives from all the key players such as the Foreign Office. Moreover, when it was established in 1936 as a Sub-Committee of the Committee of Imperial Defence, the expertise of MI5 and MI6 was not used.[20] The JIC only became an important part of the Whitehall policymaking machine during the Second World War. As Prime Minister, Sir Winston Churchill valued the role of intelligence. The JIC chair at this time, Cavendish-Bentinck, was good at managing difficult relationships, particularly between the military and the FO, and its influence grew.[21] By the end of the war, the JIC was not only coordinating the intelligence effort but also producing strategic and tactical assessments. However, it was only with the move to the Cabinet Office in 1957, and out of the control of the Chiefs of Staff, that it became more integrated into the foreign, defence, and security policy machinery.

Perhaps the most important function of the JIC, especially in its post-1957 form, was in establishing consensus across the Whitehall machine on the security threats that it faced. In his history of the organisation, tellingly entitled *Know Your Enemy*, Sir Percy Cradock, a former chair of the JIC, clarified that this broader ability in agreement building was the core function of the organisation, more than any individual assessment itself.[22] The JIC was not a straightforward success, however. For instance, it struggled to foresee crises and predicted neither the Blockade nor the building of the Wall in Berlin.[23] But in general, historians agree that it performed well. The work it produced on Soviet military capabilities has been particularly praised as being especially balanced.[24] Moreover, as it was insightfully pointed out, while the Service Departments and the Foreign Office had hundreds of years to establish their relationship with the centre of government, the JIC became trusted in a relatively short period of time.[25] This was in some part due to the quality of its work.

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[19] Ibid., 313.
[20] Michael S. Goodman, *Joint Intelligence Committee: Volume 1: from the approach of the Second World War to the Suez Crisis* (Abingdon, 2014), 17-19.
[21] Ibid., 19-21.
[22] Percy Cradock, K*now Your Enemy: how the Joint Intelligence Committee saw the world* (London, 2002),
[23] Simon Case, The Joint Intelligence Committee and the German Question, 1947-61, (Unpublished PhD thesis, Queen Mary, University of London), 285.
[24] Michael S. Goodman, *Joint Intelligence Committee: Volume 1: from the approach of the Second World War to the Suez Crisis* (Abingdon, 2014), 296.
[25] Simon Case, The Joint Intelligence Committee and the German Question, 1947-61, (Unpublished PhD thesis, Queen Mary, University of London, 2009), 288.

BOX 1: International comparison

It is beyond the scope of this paper to compare arrangements for economic security in the UK to all other comparable democratic nations but it is worth noting the examples of Australia and Japan, who are held up as having effective arrangements in this space. Both integrate an economic function into their national security apparatus. When Australia was reforming its intelligence services in the mid-1970s, the Royal Commission on Intelligence and Security suggested that many other countries, including Britain, took economic intelligence far more seriously. Economic intelligence was built into the Office of National Assessments (ONA) when it was established in 1977, with an Economic Assessment Board. Both the Royal Commission on Australia's Security and Intelligence Agencies in 1984 and the 2017 Independent Intelligence Review still suggested that the ONA's economic assessment role could be given more recognition. However, it is noticeable that Australia built and maintained a function in economic intelligence from the mid-1970s onwards, as the UK wound its down. In Japan, an Economic Division was added to the National Security Secretariat in 2019, and quickly grew to around 20 people focusing on supply chains, the safety of key infrastructure, and emerging technology. While Australia and Japan's deep trading relationships with China make them particular cases, wherein economic security is more pressing, they still highlight how other nations are innovating in important ways in this area that the UK can learn from.

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Akira Igata and Brad Glosserman, 'Japan's New Economic Statecraft', *The Washington Quarterly*, 44 (2021), 25-42.

For all its growing authority, however, the attempt to make the JIC responsible for economic issues was calamitous. A desire for reform came after the DIS incorrectly predicted that sanctions would swiftly topple Ian Smith's internationally unrecognised regime in what was then known as Rhodesia, territorially equivalent to modern day Zimbabwe. Sir Burke Trend, the Cabinet Secretary, proposed a separate JIC focusing on economics and non-military science and technology. He believed part of the problem with DIS was that it sat in the MoD, which had a culture of secrecy and security clearances, and that in any case, the departments were not effective enough at working with it.[26] Yet, this new JIC, known as JIC (B) and established in 1968, never successfully integrated itself into the Whitehall machine. It was not supported by enough staff, the quality of its papers was not very high, and departments rarely used its findings to support policy or planning. The Treasury was especially resistant. JIC (B) was wound up in 1980.[27] For policy advice that crosses departmental divides to

[26] J. W. Young, 'The Wilson Government's Reform of Intelligence Co-ordination, 1967-68', *Intelligence & National Security*, 16 (2001), 133-151.
[27] Peter Davies, *The Authorised History of British Defence Economic Intelligence: A Cold War in Whitehall, 1929-90* (Abingdon, 2019) 258-287.

function effectively, there needs to be demand for it in Whitehall, well-produced analysis and a desire among the wider policymaking system to play along: JIB (B) had none of this.

Central Policy Review Staff

The Central Policy Review Staff (CPRS), established by Edward Heath in 1971, was in the words of one historian, 'the boldest and longest lasting attempt since 1916 to fill… the "hole in the centre" of the British government'.[28] Surviving until 1983, when it was wound up by Margaret Thatcher, the CPRS, also known as the 'think-tank', was an attempt to inject more long-term strategy into policymaking. It was tasked in part with ensuring that day-to-day decisions on policy issues were in line with the broader aims of the government. Another core responsibility was to offer cross-departmental analysis to break the siloing of information and ensure that policy issues were being considered in the round. Heath as a cabinet minister had felt that ministers haggled too much over data rather than considering the issue of the day.[29] The CPRS thus had a far broader remit than either the MoD's economic intelligence functions or the JIC. It is worth discussing alongside them though because it did notable and important work on issues of economic security, which was potentially the space in which it was most influential.

Heath developed the idea for the CPRS while in opposition in the mid-1960s and it was announced in a government White Paper in 1970 called *The Reorganisation of Central Government*. Part of the reason why the CPRS was introduced so quickly was because senior civil servants had been thinking along the same lines before the Conservatives came to power. Leading officials also believed that the centre of government needed more analytical power, not least to overcome the issue of departmentalism. Sir Burke Trend, who had been Cabinet Secretary since 1963, complained about the nature of Cabinet government: 'it puts a premium on departmental differences and results too often in a conclusion which is little more than a lowest common denominator or agreement'. Moreover, he did not believe that the Treasury could house a central analytical function because they were more concerned with cutting expenditure than policy effectiveness.[30]

The aims and style of the CPRS varied across its different leaders and according to how they worked alongside various Prime Ministers. Heath, who had studied PPE at Oxford, wanted a scientist, not an economist, to head the CPRS to bring the discipline of scientific thought into economic and social issues.[31] Lord Rothschild was its first head, a biologist who had retired from his role as head of research for Shell and worked for MI5 during the Second World War on bomb disposal. He was praised for being 'independent, iconoclastic, and fearless', and particularly for stating issues clearly, free from 'bureaucratese'.[32] Heath's support helped give the CPRS the necessary confidence to work as a challenge function and it became a desirable destination for ambitious civil servants.[33] Under Rothschild, it has been suggested that the think-tank had 'glamour, glitter and almost fell into the ghastly

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[28] Peter Hennessy, Susan Morrison and Richard Townsend, 'Routine Punctuated by Orgies: The Central Policy Review Staff', *Strathclyde Papers on Government and Politics*, 31 (1985), 97.
[29] Ibid, 9.
[30] Rodney Lowe, *The Official History of the British Civil Service: reforming the Civil Service, Volume 1: the Fulton years, 1966-81* (Abingdon, 2020), 166.
[31] Simon James, 'The Central Policy Review Staff, 1970-1983', *Political Studies*, 34 (1986), 424.
[32] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 26; Peter Hennessy, Susan Morrison and Richard Townsend, 'Routine Punctuated by Orgies: The Central Policy Review Staff', *Strathclyde Papers on Government and Politics*, 31 (1985), 22.
[33] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 434.

category of radical chic'.[34] Sir Kenneth Berrill replaced Rothschild in 1974 and stayed in the post till 1980. Berrill, an economist, was more of a Whitehall insider than Rothschild, although he had worked for the OECD and World Bank, his role before the CPRS was as Chief Economic Advisor to the Treasury. Berrill preferred to work with the Whitehall machine rather than against it, and there was a sense that under his leadership, the CPRS had become 'worthy but dull'.[35] Under the Thatcher government, the CPRS became more party political and more closely tied to the priorities of the Prime Minister - it lost its 'independence and imagination'.[36] Robin Ibbs, formerly a director of ICI, led it between 1980 and 1982. John Sparrow ran it from 1982 to 1983, after working as a director specializing in investment banking for Morgan Grenfell.

The CPRS never had more than twenty analytical staff, which included a mixture of civil servants and external hires. It always had at least two economists on its team and regular secondments from either Shell or BP.[37] It had an annual budget of around £3 million (2023 prices) in inflation-adjusted terms.[38] Its officials were typically from a strikingly elite background. It did not bring new analytical techniques to policymaking but employed 'bright minds' on difficult issues. As one insider history put it: 'In terms of its approach to problems, the CPRS was not outstandingly innovative. Its analytical techniques owed more to common sense and quite a lot of applied economics than to more sophisticated skills of policy analysis.'[39] The CPRS did however make use of outside expertise. Lord Rothschild could easily get experts involved in part due to his eminence; regulars included Arnold Weinstock, the managing director of the then huge industrial giant, the General Electric Company, and Hugh Parker, a highly influential management consultant at McKinsey.[40] The CPRS also enjoyed good relations with the Civil Service. Heath played a vital role in giving it his firm support at the beginning, after which its permanence became accepted. Departments rarely refused to give the CPRS the information it needed to analyse problems, though they did not typically offer active help.[41] It remained that a key skill of those working within the CPRS was to be able to deduce what information officials might be hiding from them.[42]

The impact of the CPRS is contested but, it seems that in its core function - to provide the Cabinet with integrated, cross-departmental advice - it performed reasonably and had a positive impact.[43] Sir John Hunt, the Cabinet Secretary between 1973 and 1979, said there were many

[34] Peter Hennessy, Susan Morrison and Richard Townsend, 'Routine Punctuated by Orgies: The Central Policy Review Staff', *Strathclyde Papers on Government and Politics*, 31 (1985), 20.
[35] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 437.
[36] Ibid., 431.
[37] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 29.
[38] Peter Hennessy, Susan Morrison and Richard Townsend, 'Routine Punctuated by Orgies: The Central Policy Review Staff', *Strathclyde Papers on Government and Politics*, 31 (1985), 15.
[39] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 49.
[40] Ibid., 130.
[41] Ibid., 343.
[42] Ibid., 65.
[43] Some of its functions withered away quickly. In the first few years of its existence, it conducted strategy reviews, designed to focus the minds of ministers on how much they were achieving in terms of their broader objectives, but these ended after Heath's 'U-turn' in 1972 when the overall strategy of the government became less clear. Its role as an early warning system, alerting ministers to upcoming crises, was acknowledged to have been a failure and also ended in 1972.
Rodney Lowe, *The Official History of the British Civil Service: reforming the Civil Service, Volume 1: the Fulton years, 1966-81* (Abingdon, 2020), 168.

occasions when the analysis of the CPRS was instrumental in changing ministerial decisions.[44] Admittedly, it was more effective in some areas of policy than others. It was notably unsuccessful in social policy, where its attempts to create a more comprehensive and consistent cross-departmental strategy met with much resistance and faltered in part because the CPRS did not have enough expertise in this area.[45] In contrast, the CPRS was effective when it came to issues of economic security, especially energy policy and industrial strategy in part precisely because they could rely on outside experts to help challenge Whitehall's assumptions, where there was often a cosy relationship between officials and the industries involved.[46] Lord Rothschild's previous career at Shell gave him crucial networks and there was from the founding of the CPRS there was always a member of staff who had come from one of the major oil companies.[47] The CPRS certainly improved the quality of policymaking in the field of 'high technology', within programmes such as Concorde and nuclear power, ushering in a far more realistic sense of Britain's technological strength and helping to break the siloing of information and expert capture that had led to economically and industrially harmful decisions.[48] While it had less impact on the ministerial debate, the CPRS also launched a broadside against the scale of Britain's military-industrial complex in the post-war decades, bemoaning the opportunity costs of a defence economy far larger than comparable nations.[49]

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[44] Peter Hennessy, Susan Morrison and Richard Townsend, 'Routine Punctuated by Orgies: The Central Policy Review Staff', *Strathclyde Papers on Government and Politics*, 31 (1985), 89.
[45] Jane Lewis, 'The Search for Coordination: the case for the Central Policy Review Staff', 1971-77', *Social Policy & Administration*, 45 (2011), 770-787.
[46] Tessa Blackstone and William Plowden, *Inside the Think Tank: advising the Cabinet, 1971-83* (London, 1988), 74-83, 129-140.
[47] Ibid., 74.
[48] Tom Kelsey, 'When Missions Fail: lessons in 'high technology' from post-war Britain', *Blavatnik Working Paper Series*, University of Oxford, https://www.bsg.ox.ac.uk/sites/default/files/2023-12/BSG-WP–2023-056-When-Missions-Fail.pdf, last accessed, 21 January 2024.
[49] Keith Mc Loughlin, *The British left and the defence economy: rockets, guns, and kidney machines, 1970-83* (Manchester, 2022), 50-51.

Conclusion

Since the 1970s, there has been a decline in the capacity and mechanisms the British state has to produce policy advice at the intersection of economics and national security. In that decade, the Ministry of Defence (MoD) still had a reasonably well staffed economic intelligence function; the JIC was split into two central committees, one of which focused on economics; and the CPRS often gave the Cabinet cross-departmental analysis on many crucial policy issues, including on economic security. These functions would either wither away or be shut down by the end of the 1980s. Yet, while they existed, such efforts often improved the quality of policymaking, especially the JIB and the CPRS. Moreover, all of the functions analysed here demonstrate that for analysis that crosses departmental boundaries to operate effectively it requires the wider policymaking system to support it. Putting the needs of departments first can easily undermine policy structures able of taking a broader view of the national interest. Such analysis also requires skilled leaders to function well, who can understand and analyse technical details across a wide range of issues, while also commanding authority, or at least knowing the right questions to ask in areas in which they are non-expert. In other words, getting analysis right at the intersection of economics and national security is difficult on both a technical and political level. Yet, the UK needs to rebuild its state capacity in this area if it is to tackle the policy complexity we will face in the coming decades.

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