

# Private Military Firms

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For the first time in the history of the modern nation-state, governments are voluntarily surrendering one of the essential and defining attributes of statehood: the state's monopoly on the legitimate use of force. This leads to the privatization of war and conflicts.<sup>241</sup>

The peace dividend, the downsizing and modernization of armed forces following the end of the Cold War and apartheid, the overextension of American and Western militaries deployed abroad, and the transition of national security away from risk avoidance to a risk-management focus have increased the trend toward the outsourcing to private military firms of functions previously performed by the military.<sup>242</sup>

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<sup>241</sup> This study is the basic document. It has been discussed at DCAF's International Advisory Board in May 2004 and will be extended and published in a different DCAF document later in 2004/05.

<sup>242</sup> There are various terms and overlapping definitions presently used in the literature. One of the more systematic systems of classification is provided by P. W. Singer, author of *Corporate Warriors*, who employs the term **privatized military firms** to refer to the entire industry of business organizations that trade in professional services intricately linked to warfare. He further breaks down the industry into three subsectors: **military support companies**, which handle logistics such as feeding and housing troops, provide rear echelon technical support, and supply chain management, transportation and services; **military consulting firms**, which train and advise police, paramilitary and military institutions, and may offer strategic, operational, and organizational analysis crucial to the functioning or reform of armed forces; and **military provider firms**, which provide direct military assistance ranging from training programs and staff services to armed personnel for both guard duties and front-line combat. It is this last category that raises the most questions about accountability. Within this last category, one could also distinguish between extralegal, clandestine **mercenary** groups who fight for financial gain in foreign conflicts that are primarily used by nonstate armed groups and more occasionally by governments, and corporate groups that seek to be considered legitimate, operate in accordance with international law, and claim to work only for established governments. Additionally, the term **private military companies** has been used to describe corporate entities providing offensive services designed to have a military impact on a given situation and are generally contracted by governments, while the term **private security companies** has been used to describe corporate entities providing defensive services to protect individuals and property, frequently used by multinational corporations in the extractive sector, humanitarian agencies, and individuals in situations of conflict or instability.

Since the end of the Cold War, seven million servicemen have been pushed onto the employment market with little to peddle but their fighting and military skills. The booming private military and security sector has soaked up much of this manpower and expertise, which entails replacing soldiers wherever possible with much better paid civilians, formerly expensively trained by the state, but not subject to standard military disciplinary procedures.

Demand for services provided by private military firms (PMFs) increased after the 9/11 attacks, when many corporate executives and government officials increased their security overseas. However, with the occupation of Iraq, demand for PMF services has exploded, where an estimated 15,000–20,000 civilian contractors now provide a spectrum of security-related services.

The end of bipolar confrontation and the withdrawal of military patronage left a power vacuum in certain regions and countries affected by conflict. In some places, this has been filled by private military and security companies hired by warring factions. Their role relates not only to provisions contained in the contracts to provide weaponry, but also how they and their training contribute to the demand for weapons in the regions where they operate. The opening up of the international arms trade to an increasing number of buyers and sellers has allowed a broader number of different actors to access weaponry. And there are a number of ways in which private military and security companies are involved in arms proliferation that need to be taken into consideration at the UN Small Arms Conference, where the arms procurement and brokering issue has become a major focus for concern.

The absence of regulation in the private provision of military and security services – and thus the difficulty of democratic control – and the inadequacy of measures to hold private military firms and their employees to account for their actions are of particular concern.

To date, action to control PMFs has been *ad hoc* and sporadic. While most countries recognize the need to prohibit the activities of mercenaries, few have developed laws to support the international agreements that exist (UN, OAS). The more complicated matter of corporate military provider firms has been left largely to self-regulation and corporate responsibility, with only a few countries (South Africa, United States, France) developing and implementing specific laws on this issue. There is a need for states to control not only the role of these actors in the arms trade, but also their provision of military and security services.

There are difficulties in applying international law and the Geneva conventions to PMFs. The personnel of PMFs are individually liable under international humanitarian law, the UN and EU Declaration of Human Rights, and aspects of international criminal law. However, this is a highly theoretical proposition, as PMFs usually operate in weak states that do not have adequate legal and judicial systems, even if they are

made accountable for hiring PMFs by entering into a contract with them. Moreover, the companies, as opposed to the individuals that work for them, do not fall within many aspects of international law and would not, for instance, come within the Statute of the International Criminal Court. Thus the most appropriate means for holding PMFs accountable is to make their home government responsible for their activities.

There are also questions of the applicability and enforcement of national laws. If a U.S. soldier uses his weapon in an off-duty bar brawl, he is subject to the U.S. judicial military code. But if an employee of a military provider firm uses his weapon on guard duty, he is answerable to the law of the nation where he is deployed. However, since PMFs frequently operate in “failed states” where national law is notional, there is the risk that PMF employees can get away with murder, sex slavery, rape, human rights abuse, etc. There are the issues of subjecting PMF employees to the same rules of engagement as foreign troops, of their being licensed to kill, and the fact that private civilians are now operating some of the most sophisticated weapons systems available.

Governments may see in PMFs not only a means of saving money but a way to use a low-profile force to solve awkward, politically sensitive, or potentially embarrassing situations that develop on the fringes of policy. Since PMFs are willing to go where the government would prefer not to be seen, they offer a way to create conditions for “plausible deniability” and may be used to carry out operations that would be expected to meet with public or legal disapproval, or operations that sidestep legislatively imposed limits on military operations and force levels. PMFs enable states to wage wars by proxy, without the parliamentary and public oversight to which conventional deployments are subject, and they are politically less problematic when it comes to casualties. PMFs thus are a means of reducing the political risk and repercussions of sensitive missions.

The problem of defining PMFs: While there have been numerous attempts to define the different kinds of enterprises which operate in the sector, in practice, the categories of companies will often merge into one another. Moreover, all companies evolve according to circumstances, making a consistent categorization of them as entities difficult. Clarity over which activities are permitted and which are proscribed appears to be essential for any legislative measures regulating this sector. However, it is not always the activity itself that can be judged as legitimate or not, but rather the consequences of that activity taking place in a given scenario.

## Related Issues and Uncharted Territory

PMFs do not pursue national, UN, or EU policy: being profit-driven, their primary aim is to make money. How will that affect the provision of what is perhaps the ultimate public good—national security?

Issues like loyalty, ideology, and national interest are not taken into account.

Certain states are now facing serious retention problems in their special forces, as they lose highly trained personnel to the significantly better-paying private military firms. What effect is the PMF industry having on career strategies of military officers?

Increased reliance on outsourcing to PMFs also raises questions of the longer-term effect on governments' planning, strategy, and decision-making processes and capabilities.

## Models and Alternative Options

PMFs represent the newest addition to the modern battle space, and their role in contemporary warfare is becoming increasingly significant. PMFs are now so firmly embedded in intervention, occupation, and peacekeeping duties that the phenomenon may have reached the point of no return: The U.S. and UK militaries would struggle to wage war without PMFs. The proportion of contracted security personnel in Iraq is now ten times greater than during the first Gulf War. In 1991, for every private contractor, there were about 100 servicemen; now there are only ten. Official figures list the British as contributing the second largest number of troops, with figures around 9,900 – and thus they are outnumbered by the 10,000 to 20,000 private military contractors now on the ground in Iraq. Consolidation is evident in the U.S. Department of Defense's aspiration that civilian contractors should account for 50 percent of deployed manpower in all future operations. Since there is the risk that things may get out of hand and that PMFs could become small armies, there is a need for regulation.

The increase and diversification of activities of PMFs, as well as their expanding customer base, has prompted a number of governments to consider adopting legislation. In the United Kingdom, the government issued on February 2002 a "Green Paper" meant to outline various options for regulating PMCs and PSCs. Six possibilities were laid out, ranging from an outright ban on military activity abroad to a general licensing scheme and even a self-regulatory system.

To date, the 1998 South African Regulation of Foreign Military Assistance Act is the most far-reaching national legislation dealing with mercenaries, PMCs, and PSCs. Mercenary activity is banned under the

Act. Its wider purpose is, however, to regulate foreign military assistance, defined as including: “advice and training; personnel, financial, logistical, intelligence, and operational support; personnel recruitment; medical or paramedical services or procurement of equipment.” The rendering of foreign military assistance is not proscribed under the Act but instead controlled by a licensing and authorization procedure under the competence of the National Conventional Arms Control Committee. The Act includes extraterritorial applications and punitive powers for those that do not abide by it. However, to date it has been enforced only to a limited degree and controversy has surrounded its practical application.

The U.S. regulations are of equal interest: arms brokering and the export of military services are covered under the same legislation, the International Traffic in Arms Regulations, overseen by the U.S. State Department’s Office of Defence Trade Controls. Under ITAR, registered companies must apply for licenses before signing contracts with foreign clients, and failure to do so is a punishable offence. Once a contract has been signed between a company and a foreign government, the State Department continues to monitor and regulate the flow of assistance and weapons, while U.S. Customs enforces the regulations. However, there are few provisions for information to be provided to Congress. This lack of transparency and controversial use of military contractors by the government has been highlighted in a couple of cases, among them the military aid package to Colombia, which relies heavily on PMFs to carry out its counternarcotics strategy.

If governments or international bodies intend to employ PMFs in the future, they must first establish regulatory control. Given the new corporate nature of Western PMFs, such regulations would be easy to enforce, if an interlocking framework of national, regional, and international control mechanisms is provided for. To achieve sufficient regulatory control, the priorities for states include:

1. Ratification of relevant international and regional legal instruments
2. Introduction of controls over arms brokering and shipping agents into the scope of arms export controls that recognize the role played by PMFs
3. Development of national legislation to control the activities of PMFs
4. More rigorous implementation of UN arms embargoes and sanctions that include in their scope PMFs and the technical assistance that may accompany arms transfers
5. Support for the continuation and broadening of the mandate of the UN Special Rapporteur on mercenaries to include PMFs
6. Development of international measures to share information on PMFs

7. Promotion of measures to ensure that employers of PMFs introduce sufficient safeguards to prevent breaches of human rights standards, international humanitarian law, and other relevant aspects of international law by PMF personnel
8. Promotion of security sector reform programs that lead to accountable PMFs with proper civilian oversight and control so as to reduce the need for private contractors engaging in combat and support efforts to combat illicit trade in arms

## Alternatives to the Use of PMFs

Most international conflicts are relatively easy to handle, as they are initiated by one party's breach of the peace, for example, in the form of an attack on another state, which clarifies the legal and international law aspects of the case. Such conflicts are usually terminated with a ceasefire and a clearly demarcated separation of the warring parties.

Along this line of demarcation, UN or other armed forces are deployed, usually with a mandate from the UN Security Council, with the mission of ensuring the lasting separation of the warring parties. The rule of the game for such "interpositioning forces" is impartiality, the main task is observation, and the use of force is the exception, only resorted to in self-defence. The risks to the troops are limited and the requirements in terms of weapons and equipment are usually rather modest. This was the case with the deployment of UNMEE after the truce between Ethiopia and Eritrea, a traditional peacekeeping mission in most respects.

Much more complex is the setting in the aftermath of an intrastate conflict, be it a civil war or the collapse of a state – the majority of armed conflicts in recent years. Often there are not two but a plurality of conflicting parties and the end of hostilities is frequently marked by a ceasefire agreement merely signed by some of the parties, who are rarely able to implement it satisfactorily. Hence, the truce is usually fragile, seldom with any clear line of demarcation between the parties to patrol, and there is a risk of peacekeepers ending up under fire. The impartiality rule is hard to apply where the very identity of the parties may be unclear, and where there is a constant risk of "mission creep" – a mission developing so unpredictably that the initial mandate may be rendered inadequate. For such deployments, more muscular equipment is indispensable, and there is a significant risk of casualties from the ranks of the peacekeepers.

## Military Alternatives

The available alternatives may be subdivided into three categories – leaving aside the option of doing nothing at all, even in the case of genocide, chaos, starvation and misery, or of confining assistance to humanitarian aid. The tasks can either be shouldered by armed forces from the North, the industrialized world; the South, the Third World; or by local forces.

Regular forces from the North would be the ideal solution for all of the tasks because they are generally well trained and have access to an immense support structure in their homelands. Certain of them, especially U.S. forces, may not have much experience with complex peacekeeping missions nor the will to learn from others. But other countries – small and medium powers such as the Nordic countries, the Netherlands, and Canada – have decades of experience with these kinds of missions. Moreover, fairness demands that contributions are proportional to economic and military weight, hence NATO allies should assume most of the responsibility. Unfortunately, nothing seems to indicate that the rich countries are willing to do so, especially not in Africa. Not only have they allocated a large part of their forces to the Balkans and Afghanistan, but their general interest in Africa has declined considerably.

Regular troops from Third World countries are the obvious alternative. Hence the attraction of regionalization, allowing the North to pass the problem on to the South. Though regional forces have some advantages in terms of familiarity with local conditions, this approach is not without problems: for example, they will often be suspected of pursuing hidden agendas in their regional neighbourhood.

Local troops would be then the obvious alternative, if it were not for the fact that they have usually been among the warring parties in the intrastate conflicts. Thus, they are often part of the problem rather than a possible means to its solution. Moreover, they are often of mediocre to poor quality and their equipment inadequate for the task, unless they are armed, equipped, and trained either by other countries or by PMFs.

All of the above problems have made some advocate the use of PMFs for international peacekeeping missions. Either present practices could continue where PMFs are occasionally hired for specific tasks on an *ad hoc* basis, or a more formalized practice could be developed.

Northern countries could make use of PMFs for peace operations in the South as an alternative to sending their own troops, or of tasking troops from the South. The latter option often implies the use of conscripted troops from other countries, which is hardly more ethically justifiable than the use of mercenaries, as the latter are, after all, volunteers and adequately compensated for their risks and inconveniences. The countries of the North might thus meet their obligations as UN mem-

bers without sacrificing anything but money. One can also imagine the UN itself making use of PMFs, either *ad hoc* or on a more permanent basis.

In many scenarios, a rapid deployment of even small forces could make a big difference. It has been estimated that a force of a mere 5,000 troops could have prevented the 1994 Rwandan genocide, which had a death toll of around 800,000, mainly civilians. Considering the limited numbers and primitive equipment of most of the local forces, a military provider firm could probably have recruited the requisite forces to defeat them – and the price for such a limited deployment would surely have been worth paying.

What stands in the way of such options is primarily the stigma that remains attached to “mercenaries.” This raises the question as to whether it might be possible to regulate the use of PMFs to such an extent that they could be accepted as legitimate military instruments.

## Which Countries Do It and How

The privatized military industry has become a big business. Several hundred companies operate in over 110 countries all over the world, the majority in the service of states like the United States, the United Kingdom, Russia, and Israel – among numerous other nations. The hard fact is that an increasing number of countries cannot go to war without PMFs. In the United States, the shift in policy came with Executive Order 12333 during the Reagan-Bush period, under which so-called “national security” and “intelligence” functions were allowed to be privatized. Today, U.S. armed forces rely on PMCs to maintain 28 percent of all weapons systems.

PMFs have been critical players in a number of conflicts, and in many, the determinate actor. The end of apartheid in South Africa and the subsequent restructuring of the armed forces was an important factor in the formation of Executive Outcomes (EO), one of the most well-known military provider firms, dissolved at the end of 1998. Another example is Papua New Guinea, which was the setting for the well-publicized aborted 1997 intervention by Sandline International. Both EO and Sandline were hired on separate occasions by President Kabbah of Sierra Leone in his efforts to defeat the Revolutionary United Front (RUF), which had kept his democratically elected government from ruling the country.

The contrasting experiences in Sierra Leone between EO and the UN’s peacekeeping operation are the most often cited example of priva-



tization's promise. In 1995, the Sierra Leone government was near defeat from the RUF, a nefarious rebel group that chopped off the arms of civilians as a terror tactic. Supported by multinational mining interests, the government hired EO, made up of veterans from the South African apartheid regime's elite forces. Deploying a battalion-sized unit of assault infantry numbering in the low hundreds, supported by combat helicopter, light artillery, and a few armoured vehicles, EO successfully quashed the rebel movement in a span of weeks. EO drove the rebels out of the capital, Freetown, retook key mines from the RUF, destroyed its headquarters, and maintained peace during the 1996 and 1997 elections. However, the withdrawal of an IMF loan due to the mercenaries' presence made it impossible for Kabbah to pay EO. The group's withdrawal led to a coup ousting Kabbah less than three months later. During the twenty-one months that it was in Sierra Leone, EO's costs were just \$35 million. Despite having a budget and personnel size nearly twenty times that of EO's, the UN force took several years of operation to come close to the same results.

In 1998, Sandline was hired to finish what EO had started. Its involvement in Sierra Leone again restored Kabbah to power, but controversy quickly arose in the United Kingdom, when Sandline came under investigation by the Department of Customs and Excise for alleged violations of an UN arms embargo in Sierra Leone. The controversy only deepened when Sandline claimed that it had the support of the British High Commissioner in Sierra Leone and the tacit approval of the British Foreign Office. Sandline was forced to withdraw after a peace accord with the rebels was hastily signed and the RUF leader was installed as vice president under Kabbah. When further bloodshed followed Sandline's withdrawal, British troops were sent along with a UN peacekeeping force.

This shows that mercenaries can be an effective tool in ending conflict, but can also lead to further chaos if not part of a long-term plan. The question is whether they are better suited to such efforts than UN peacekeeping forces or those of other governments. As Sandline's former chief Tim Spicer said in 2000, it was much cheaper for the British government to pay Sandline \$1.5 million than the £350 million it is costing to maintain British troops and the UN operation.

Low cost, however, does not eliminate the moral issue. Without proper regulation by an organization such as the UN, military provider firms cannot be counted on to adhere to the same ethical standards as national military forces party to international agreements such as the Geneva Conventions. There are some commendable attempts at self-regulation, such as those of Sandline, which claims only to "undertake projects for internationally recognized governments, preferably democratically elected, international institutions such as the UN, and genuine, internationally recognized and supported liberation move-

ments.”<sup>243</sup> But if governments are to allow PMFs to intervene in the future, they ought to be held to strict standards of conduct. Responsible companies such as Sandline are not likely to commit egregious ethical errors, but their regulation would make them more appealing to legitimate governments as tool of foreign policy. For this reason, military provider firms may even welcome international oversight.

In Annex A, the British “Green Paper” contains eleven pages on Africa’s experience from the 1950s through the 1990s with mercenaries. Other lesser-known cases include:

- In Sri Lanka, the government has hired PMF pilots to fly gun ships.
- In Nepal, ex-Gurkha soldiers have formed a PMF of their own, *Gurkha Security Guards*.
- In Cambodia, a French PMF provides demining services.
- In the Philippines, the number of PMF employees almost outnumbers the police or the army. *Control Risks Group* provides security planning for mine sites. *Grayworks Security*, a Filipino company, provides military training to government forces.
- In Taiwan, PMFs provide advisory services to the military.
- In Angola, the government makes it a requirement for foreign investors that they provide their own security by hiring PSCs.
- In Saudi Arabia, U.S.-based PMFs practically run the armed forces, with defence contractor *BDM*, parent of *Vinnell*, providing logistics, training, and advisory services to the Saudi forces. *Vinnell* itself trains the Saudi National Guard, while *Booz-Allen & Hamilton* runs the military staff college, *SAIC* supports the navy and air defences, and *O’Gara* protects the royal family and trains local security forces.
- In Kuwait, *DynCorp* supports the air force.
- In Afghanistan, 150 employees of *DynCorp* are guarding President Karzai and other leaders of the Afghan government.
- In Russia, tens of thousands of demobilized soldiers from the former Soviet armed forces have joined PSCs, of which 12,000 are now registered. One example is the Moscow-based *Alpha* firm, founded by former KGB Special Forces personnel, which has a link to the international *ArmorGroup* firm. Contract soldiers have been found alongside regular forces in Chechnya and have defended facilities in Azerbaijan, Armenia, and Kazakhstan.
- In East Timor, Australian forces leading the UN Transitional Administration peacekeeping force in 1999 were dependent on logistics outsourced to PMFs, while the UN employed private intelligence and security firms to assist.

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<sup>243</sup> See: <http://www.sandline.com/company/index.html>. Also see the paper by Sandline International. *Private Military Companies — Independent or Regulated?* (28 March 1998).

- In Malaysia, *TASK International* trained the Royal Malaysian Police in hostage rescue, close protection of infrastructure and people, defensive driving, and crisis management for the Commonwealth Games held in September 1998 in Kuala Lumpur.
- In Indonesia, *Executive Outcomes* provided training and support to the Indonesian Special Forces in hostage rescue operations in 1996. The training was to aid the Indonesian Special Forces in an operation in West Papua (Irian Jaya).
- In Brunei, Nepalese Gurkha battalions that formerly served in the British Army are in charge of territorial defence.
- In Israel, revenues generated by PMFs are said to surpass defence expenditures. Israel-based PMFs such as *Levdan*, *Ango-Segu Ltd.*, and *Silver Shadow* have worked in the Congo, Angola, and Colombia.
- In Liberia, *Intercon Security* personnel guarding the U.S. Embassy have fought during the rebel sieges.
- In the South China Sea, PMFs like *Trident* have taken on antipiracy duties. *Marine Risk Management* and *Satellite Protection Service (SPS)* deploy airborne mercenaries to deal with piracy.
- In Colombia, *British Petroleum* hired a PMF to work with a battalion of the Colombian army for the guarding of pipelines. U.S. PMFs are engaged in cocaine eradication, flying crop-duster spray planes, and tracing drug smugglers.

*In Table 1, the British “Green Paper” lists the following examples of activities and users of PMFs:*

Activities & services provided	Examples of companies	Main users of services
Combat and operational support	Executive Outcomes Sandline International Gurkha Security Guards	governments
Military advice and training	DSL, MPRI, Silver Shadow Levdan, Vinnell, BDM	governments
Arms procurement	Executive Outcomes Sandline International Levdan	governments
Intelligence gathering	Control Risk Group Kroll, Saladin, DynCorp	governments multinational companies
Security and crime prevention	DSL, Lifeguard, Group 4 Control Risk Group Gurkha Security Guards Grey Security Coin Security	multinational companies humanitarian agencies
Logistical support	Brown & Root, DynCorp Pacific Architects & Engineers	peacekeeping groups humanitarian agencies

While no authoritative figures are available, there are estimates that PMFs generate \$100 billion in annual global revenue. Since 1994, the U.S. Department of Defense alone has entered into more than 3,200 contracts, valued at more than \$300 billion, with twelve of the thirty-five U.S.-based PMFs. Some 2,700 of those contracts were held by just two companies: Kellogg, Brown & Root, a subsidiary of Halliburton; and Virginia-based management and technology consulting firm Booz-Allen & Hamilton Inc. Seventeen of the leading PMFs have invested more than \$12.4 million in congressional and presidential campaigns since 1999. In 2001, 10 PMFs spent more than \$32 million on lobbying.

Following are some examples of PMFs:

**Military Professional Resources Incorporation (U.S.):** Founded in 1987 by retired senior military officers, some former Chiefs of Service and Commanders in Chief, and civilian leaders, and closely linked to the U.S. administration. MPRI, based in Alexandria, Virginia, has some 700 full-time employees, standby arrangements with more than 2,000 former officers, and more high-ranking military officers per square meter than the Pentagon itself. It provides a wide range of services to the U.S. government and, under license by the U.S. government, to a number of foreign countries. Engagement ranges from assisting ministries of defence establish policies, procedures, and strategic plans; doctrine and force development; training and equipping of armed forces; simulation centres and combat training centres; assisting armed forces in democracy transition efforts; working with armies to attain greater efficiencies, economies, and effectiveness; working with legislators to provide effective oversight; humanitarian and peace operations; etc. It taught tactics to the Kosovo Liberation Army in the weeks before the NATO bombing campaign. Its collaboration with the Colombian military in the drug war became a case study in PMC mismanagement. In 2001, the Pentagon chose not to renew its Colombian contract. A wide range of programs continue in Africa, newly independent states of the ex-USSR, Asia, and the Middle East.

**DynCorp (U.S.):** Based in Falls Church, Virginia, DynCorp won a \$50 million contract to send 1,000 ex-policemen and security guards to Iraq to train the new police force. It reported \$1.96 billion in revenue for 2001, \$6.8 billion in contract backlog, and a global network of more than 23,000 employees, providing a broad range of military services from building camps, protecting borders, running the Naval Air Warfare Center, providing escorts in the Gaza Strip, and protecting Afghan president Karzai. Together with Pacific A&E, it has recruited and managed the U.S. contributions to monitoring operations in the Balkans and was involved in the Kosovo monitoring force.

**Vinnell (U.S.):** Used extensively in Vietnam. Now a subsidiary of Northrop Grumman, it has been hired for \$48 million to train the nu-

cleus of a new Iraqi army. It has a long presence in the former Yugoslav republics, where it helped Croatia and Bosnia and Herzegovina build up their military forces during the secession wars of the 1990s. Northrop Grumman received up to \$1.2 billion to fly planes that spray suspected coca fields and monitor smugglers in the war against drugs in Colombia.

**Halliburton (U.S.):** Through its subsidiary, Kellogg, Brown & Root, it landed two contracts worth more than \$1.7 billion for such services as building and managing military bases, providing logistical support for the 1,200 intelligence officers hunting Iraqi WMDs, delivering mail, performing bug control on U.S. bases, producing millions of hot meals, and repairing oil fields. In the Balkans, it provides U.S. forces with everything from water purification to repatriating bodies.

**ITT (U.S.):** Supplies armed guards, overwhelmingly U.S. private citizens, at U.S. installations.

**Global Risk Strategies International (UK):** Based in Hampton, Middlesex, it provides security for the coalition provisional authority, U.S. Department of Defense, USAID, and the UN in Iraq. Uses more than 1,100 Gurkhas, ex-SAS and ex-Special Boat Service personnel, former Fijian paramilitaries, etc.

**Northbridge Services Group Ltd. (UK):** Has staffing from organizations such as the CIA and American and British special forces. It offers a wide range of services designed to meet the needs of most organizations: whether strategic advice, intelligence support, humanitarian disaster relief, counterterrorism, support for law and order, or close protection teams.

**Erinys International (UK):** Awarded a \$40 million contract to guard oil sites and pipelines in Iraq. Is chock-full of former South African special forces training 6,500 Iraqis to guard oil infrastructure.

**Rubicon International (UK):** Partner with Erinys in many projects, including in Iraq.

**Olive Security (UK):** Provided security for TV crews during the war. Was awarded initial security contract by U.S. contractor Bechtel.

**Control Risks Group (UK):** Hires armed guards to protect officials from Whitehall, aid workers, and businesses.

**Janusian Security Risk Management (UK):** Subsidiary of Risk Advisory Group. Was running Western trade delegations into Baghdad.

**International Peace Operations Association (IPOA):** An association of military service provider companies who work or are interested in international peace operations around the world. This includes companies that do everything from armed peacekeeping to mine clearance, armed logistics, and emergency humanitarian services.

**Isec Corporate Security Ltd. (UK):** A PMC specializing in all forms of military combat and training. Claims to have some 1,200 hand-picked ex-British special forces, recruited solely from the Special Air Service

(SAS), Special Boat Squadron (SBS), and Airborne and Marine Commandos. A self-contained force available for missions in any theatre of operations. Has extensive experience in Africa.

**Genric Ltd. (UK):** Has set up unit outside Basra providing armed site security and armoured vehicle hire.

**Sandline International.** Owned by a holding company, Adson Holdings, closely linked to Heritage Oil & Gas and Diamondworks, and directed by a group of former UK and U.S. military officers. Even though the company operates out of offices in London and Washington D.C., it is registered in the Bahamas. Sandline places great emphasis on having only legitimate governments and international organizations among its customers. Its main activities have been in Papua New Guinea and Sierra Leone.

**Secopex** is the first French PMC. Created in April 2003 by former members of elite forces of the French army, it responds to the increasing demand of security matters requiring specific knowledge and experience in military matters. Composed of some 365 experts coming from elite units of DoD, Interior, and other government security agencies, it can provide a complete selection of assistance activities linked to safety, security, training, logistics, organization, and operations. Collaborating with an international network of specialists, it has recently opened an office for North Africa in Algiers.

## Pros and Cons

### *Pros*

- Contracting out to private companies, agencies, or other intermediate types of administration has a place in efficient government—and there are functions that PMFs perform better than governments. According to U.S. Secretary of Defense Donald Rumsfeld, using contractors saves money and frees up the military to concentrate on its core mission.
- In some circumstances, PMFs are better placed for rapid deployment and may be able to provide training, resources, and security services more efficiently and effectively than states are able to. Such PMFs have the potential to make a legitimate and valuable contribution to international security.
- PMFs can bring stability to conflicts in the developing world. Stabilizing “failed states” is important for reducing the threat of international terrorism and organized crime, and the provision of security is a prerequisite for such stabilization. Despite the prevailing distaste for mercenaries, the record of some military provider firms speaks to

their potential for resolving conflicts and establishing peace and order in countries that would otherwise be ignored by the world's leading powers.

- Today's world is a far cry from the 1960s and 1970s, when PMF activity usually meant mercenaries of the rather unsavoury kind involved in postcolonial and neocolonial conflicts. Today's military provider firms are fundamentally different from mercenaries—the critical factor being their modern corporate business form. They are hierarchically organized into incorporated and registered businesses that trade and compete openly on the international market, link to outside financial holdings, recruit more proficiently than their predecessors, and provide a wider range of military services to a greater variety and number of clients. Many of those currently providing military and security services to international institutions, multinational corporations, and national governments do so competently, efficiently, and legitimately.
- PMFs already provide extensive support to intergovernmental organizations such as the UN, NATO, and the EU, as well as NGOs, international humanitarian organizations, and multinational companies. The services they provide include security guarding; technical, maintenance, and logistic support; and demining.
- Regulation of PMFs may help to distinguish between the reputable and disreputable private sector operators, to encourage and support the former while eliminating the latter. The penalties applicable to PMFs that breach regulations must be sufficient to deter companies from embarking upon operations which might lead to human rights violations.
- Most of the people involved in PMF activities are former highly trained professional and vetted soldiers who understand that their chances of continuing in work are pretty slim if they behave in an unacceptable way.
- Contracting out ensures that the government does not have to undergo the political risk associated with sending soldiers into situations that are little understood or supported domestically. Moreover, casualties of PMF employees would not cause the same political problems that the deaths of a country's nationals do.

### *Cons*

- If a national government has any role at all in guaranteeing the country's security, it must recruit and maintain the country's armed forces. To delegate this function is to abdicate an essential responsibility of government that raises immense questions of sovereignty.

Buying private military providers and mercenaries is tantamount to privatizing national security. Doubts would exist about the legitimacy both of the force and of the government that purchased it.

- In the 1960s and 1970s, PMFs gained a reputation for brutality and exploitation, through their involvement in the decolonization process. The enduring image of those who work for them is that of “dogs of war” that are often perceived to be operating outside of the law. Moreover, there are concerns about the transparency, probity, and attitude toward human rights of PMFs, especially military provider firms. Commercial incentive to refrain from human rights abuses and to uphold international humanitarian law is unlikely to apply where PMFs are confident that they will not be found out.
- A 1999 Report of the UN Commission on Human Rights concludes that mercenaries base their comparative advantage and greater efficiency on the fact that they do not regard themselves as being bound to respect human rights or the rules of international humanitarian law. Greater disdain for human dignity and greater cruelty are considered efficient instruments for winning the fight. The participation of mercenaries in armed conflicts and in any other situation in which their services are unlawful may jeopardize the self-determination of peoples and always hampers the enjoyment of the human rights of those on whom their presence is inflicted.
- Mercenary forces have long been stigmatized as profiteering opportunists devoid of any allegiance to the cause for which they fight. Their use, whether for national or international security, is considered too drastic a step, since their main obligation is to their employer, not to their country. Since PMFs are profit-driven organizations, there is the risk that anyone with enough money could hire a PMF to fight for his side.
- There will always be concern over PSCs’ and PMCs’ relationship with oil and mining companies operating in some of the more lawless parts of the developing world, and over their often-perceived role as covert proxies for Western governments. The stigma attached to PMCs means that their use is a public relations disaster waiting to happen. Moreover, there are the risks that PMC involvement can prolong a war and of states losing control of their military policy to militaries outside the state system, responsible only to their client, managers, and stockholders.
- Use of PMFs introduces a host of problems, stemming above all from the fact that PMFs are not as accountable as military personnel. Checks and balances that apply to national armed forces can seldom be applied with equivalent strength to PMF employees. Operating outside the bounds of military command and justice, PMF employees are under no obligation to put themselves at risk. And PMFs may have no compunction about suspending a contract if the situation be-



comes too risky, in either financial or physical terms. Because they are typically based elsewhere, and in the absence of applicable international laws to enforce compliance, PMFs face no real risk of punishment if they or their employees defect from their contractual obligations. Moreover, technical issues, like contract problems, may lead to a PMF operation ending without regard to a military rationale.

- The use of contractors also hides the true costs of war. Their dead are not added to the official body counts. Their duties and profits are hidden by close-mouthed executives who do not give details to legislators and apply strict rules of confidentiality to their work and client relationships. And as their coffers and roles swell, companies are funnelling earnings into political campaigns and gaining influence over military policy, even getting paid to recommend themselves for lucrative contracts.
- Information about PMFs' activities abroad is hard to obtain and very often unreliable. There is a paucity of information about the nature of the services that PMFs offer. The U.S. government classifies contractual details as proprietary commercial information, exempting these details from release under the Freedom of Information Act.

## What to Make of all This?

The beginning of this century of globalization is witnessing the gradual erosion of the Weberian monopoly over the forms of violence. With the growth of PMFs, the state's role in defence and security has become deprivileged, just as it has in other international arenas, such as trade and finance. While PMFs are definitely here to stay, their existence and growth have created new opportunities and challenges. States, international institutions, NGOs, corporations, and even individuals can now lease military capabilities of almost any level from the global market. This change will affect international relations in a number of critical ways, ranging from the introduction of market dynamics and disruptions into security relations to the policy impact of alternative military agents. It may also necessitate far-reaching reassessments in both policy making and theory building.

In terms of policy, just as the militaries had to develop a system for working with NGOs during recent peacekeeping and humanitarian operations, so too they will have to consider how to deal with the PMFs they will increasingly encounter in the battle space. At the decision-making level, governments and international organizations must develop standard contracting policies, establish vetting and monitoring systems attuned to PMFs, and assure accountability and legislative

oversight. A policy that defers to the market will not curb the threats to peace.

Outdated assumptions about the exclusive role of the state in the domain of defence and security will have to be reexamined. A broadening of civil-military theory to allow for the influence of third parties is an example of how this can be done without threatening the core of the theory. And consideration of the effects of a broadening military outsourcing market could make theories of deterrence, preemption, and prevention, arms races, and conflict formation more reflective of the real world. Similarly, corporate branding and marketing might well become more relevant in future conflicts, hence meriting research from security and defence perspectives.

Thus, since the rise of PMFs raises possibilities and dilemmas not only compelling in an academic sense but which are also driven by real-world relevance, it seems paramount that our understanding of PMFs, mercenaries, PMCs, and PSCs as new players in international security is further enlarged and developed.

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