

Archived Content

Information identified as archived on the Web is for reference, research or record-keeping purposes. It has not been altered or updated after the date of archiving. Web pages that are archived on the Web are not subject to the Government of Canada Web Standards.

As per the [Communications Policy of the Government of Canada](#), you can request alternate formats on the "[Contact Us](#)" page.

Information archivée dans le Web

Information archivée dans le Web à des fins de consultation, de recherche ou de tenue de documents. Cette dernière n'a aucunement été modifiée ni mise à jour depuis sa date de mise en archive. Les pages archivées dans le Web ne sont pas assujetties aux normes qui s'appliquent aux sites Web du gouvernement du Canada.

Conformément à la [Politique de communication du gouvernement du Canada](#), vous pouvez demander de recevoir cette information dans tout autre format de rechange à la page « [Contactez-nous](#) ».

CANADIAN FORCES COLLEGE / COLLÈGE DES FORCES CANADIENNES
JCSP 36 / PCEMI 36

MASTER OF DEFENCE STUDIES

**COALITION OF THE BILLING: PRIVATE MILITARY COMPANIES IN THE
CONTEMPORARY SECURITY ENVIRONMENT**

By Major M. Penney

This paper was written by a student attending the Canadian Forces College in fulfilment of one of the requirements of the Course of Studies. The paper is a scholastic document, and thus contains facts and opinions, which the author alone considered appropriate and correct for the subject. It does not necessarily reflect the policy or the opinion of any agency, including the Government of Canada and the Canadian Department of National Defence. This paper may not be released, quoted or copied, except with the express permission of the Canadian Department of National Defence.

Word Count: 13,133

La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale.

Compte de mots :

CONTENTS

Table of Contents

INTRODUCTION 1

CHAPTER 1 - PRIVATIZED MILITARY HISTORY 12

Ancient History 13

Middle Ages 15

The Renaissance 17

The Modern Age 18

Conclusion 20

CHAPTER 2 – RISE ON AN INDUSTRY 22

Introduction 22

Economic Paradigm Shift 23

Cold War Personnel Reductions 24

Cold War Budget Reductions 25

Increase in Regional Conflict 27

Globalization 29

Executive Outcomes 30

Conclusion 32

CHAPTER 3 – THE CLIENTS 33

Introduction 33

Strong States 33

Weak and Failing States 35

The Private Sector 37

International Organizations 38

Non-State Actors 39

Conclusion 41

CHAPTER 4 – CHALLENGES WITH PMCs 42

Introduction 42

Legal Status 42

Financial Corruption 44

Command and Control 46

Human Rights Abuses 47

Conclusion 48

CHAPTER 5 – FUTURE CONSIDERATIONS 50

Introduction 50

New Developments in the Industry 51

The Need for Industry Reform 52

Why PMCs will Continue to Operate 54

| | |
|-----------------------------|----|
| CONCLUSION | 57 |
| Areas for Future Study..... | 61 |
| Closing Remark | 63 |

Abstract

States can no longer be considered the sole guarantor of security in the contemporary environment. The simple reality is that the security needs of modern day actors simply exceed the state's capacity and desire to fill this role. As such, private military companies play a vital and necessary role in closing this security gap. Yet, this is not new. History demonstrates that private soldiers have influenced conflicts throughout the ages. What is different today is the manner in which these personnel are organized. Private military companies are legally established businesses that offer clients services in the application of force. PMCs began appearing in the market in the late 1980s as a means to fill the security gap that developed when Western militaries were downsized as regional conflicts were increasing. The 1990s opened up a new client base for PMCs as the private sector, international organizations, and even non-state actors began seeking out their services. Yet PMCs face a number of challenges to their credibility; challenges that need to be addressed if the industry is to thrive in the market over the long term. In particular, the development of international and national legislation and regulatory controls are essential to this industry.

INTRODUCTION

Despite media portrayals that often suggest otherwise, the recent participation of private soldiers in war and conflict zones is not a new development. In fact, the truth of the matter is quite to the contrary. Recorded history is full with examples of how private soldiers influenced the outcomes of conflicts throughout the ages. In, *Contract Warriors*, author Fred Rosen noted that mercenaries have hired themselves out for more than 2500 years. From the days of Libyan mercenaries who waged war for Egypt circa 500 B.C.E., to modern day use of Private Military Companies (PMCs) in the War on Terror, Rosen highlighted how private soldiers have played a role in shaping the modern world.¹

Given this history, it is surprising how little is known about today's private military companies and how they have been so successful in remaining out of the public eye. As freelance publicist and author Rolf Uessler observed in *Servants of War*, seldom do contractors make the headlines - preferring instead to remain anonymous, often at the encouragement of their employers.² Yet, in spite of this practice, the decades of anonymity that private military companies and security contractors enjoyed came to an abrupt end in March 2004. It was then, that two notable events brought the relatively unknown private military industry squarely into the public's consciousness.

The first of these events occurred in early March 2004, when the South African based private military company, Executive Outcomes (EO), made the front pages of newspapers. On March 7th, police at Zimbabwe's Harare International Airport,

¹ Fred Rosen, *Contract Warriors* (New York: Penguin Group (USA) Inc., 2005), x.

² Rolf Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict* (Brooklyn: Soft Skull Press, 2008), 4.

impounded a plane en route to the African republic of Equatorial Guinea (EG) from South Africa. On board were some 70 Executive Outcomes' private soldiers; who had allegedly been hired to overthrow Equatorial Guinea's government and replace its President, with then opposition leader Severo Moto. In return, reports claimed that Moto would grant corporations affiliated with the orchestrators of the coup, preferential rights to Equatorial Guinea's lucrative oil fields.³

The second event occurred later that same month in Fallujah, Iraq, when four American contractors employed by Blackwater USA were ambushed and killed while escorting a convoy through the city. While the deaths alone may not have generated much attention and news coverage, it was the crowd's subsequent actions that engrossed television audiences around the world. Networks replayed a clip of a jubilant and somewhat frenzied mob pulling the four contractor's bodies from their vehicles where they were burned, beaten, and mutilated. Two of the bodies were subsequently dragged through the city's streets and strung up from a bridge.⁴ According to Robert Young Pelton, a journalist and author of *Licensed to Kill: Hired Guns in the War on Terror*, once the initial shock of the footage had worn off, the viewing audience began to ask questions. They wanted to know why armed civilians were serving in the Iraqi theatre of war.⁵

³ Robert Young Pelton, *Licensed to Kill - Hired Guns in the War on Terror* (New York: Three Rivers Press, 2006), 305.

⁴ Suzanne Simons, *Master of War - Blackwater USA's Erik Prince and the Business of War* (New York: HarperCollins Publishers, 2009), 89-90.

⁵ Young Pelton, *Licensed to Kill - Hired Guns in the War on Terror*, 136.

While the use of contracted soldiers is not new, what has changed is the manner in which they are organized and employed. According to Rosen, “The emergence of PMCs in the 1990s as the primary means of selling mercenary services on the international market represents a significant change in the profession.”⁶ The use of private soldiers has evolved from a practice where lone mercenaries or groups hired themselves out to the highest bidder to a business where legally established PMCs offer services that often involve the use of force.⁷ Today, PMCs have offices around the world where they actively market their services to public and private clients alike. In fact, it is this permanent structure that serves to separate PMCs from the lone mercenary. Long after a conflict is over, PMCs will continue to function as a permanent company with a permanent address.⁸

This evolution is largely credited to the ingenuity of Tim Spicer, a retired lieutenant colonel and member of the Order of the British Empire (OBE), who is widely recognized as the architect of the modern day PMC. Spicer was a founding member of Sandline International, one of the first modern day PMCs that formed in the 1990s. Based in London, England, Sandline Ltd was a privately owned and independent business that billed itself as a Private Military Company specialising in problem resolution and the provision of associated consulting services. Its services were offered worldwide and the

⁶ Rosen, *Contract Warriors*, 143.

⁷ Carlos Ortiz, "The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry," *Public Money & Management* (2010), 35.

⁸ Rosen, *Contract Warriors*, 11.

company guaranteed potential clients the services of professionals backed with years of operational experience within first world armies.⁹ Sandline's website stated that:

The business was established in the early 1990s to fill a vacuum in the post cold war era. Our purpose is to offer governments and other legitimate organisations specialist military expertise at a time when western national desire to provide active support to friendly governments, and to support them in conflict resolution, has materially decreased, as has their capability to do so.¹⁰

In his 1999 autobiography, *An Unorthodox Soldier*, Spicer wrote, "There is a vast amount of First World military and professional experience out there which PMCs have the training and experience to deploy and which governments should be eager to utilize."¹¹

While the launch of private military industry may have taken place some twenty years ago with the start up of companies such as Executive Outcomes and Sandline International, the industry did not get into full swing until after the US led invasions of Afghanistan and Iraq.¹² In fact, Brookings Institute fellow, Peter W. Singer, noted that "The emergence of a global trade in hired military services, better known as the privatised military industry is one of the most interesting developments in warfare over the last decade."¹³ Today, businesses in the industry range from small consulting firms comprised of retired generals, to transnational corporations that lease out wings of fighter

⁹ Sandline International, "'Overview of the Company'," <http://www.sandline.com/site/index.html>

¹⁰ *Ibid.*

¹¹ Rosen, *Contract Warriors*, 2.

¹² Ellen M. Pint and Rachel & Hart, "Public-Private Partnerships," Rand, http://www.rand.org/natsec_area/products/partner.html

¹³ Peter W. Singer, "Should Humanitarians use Private Military Services?" *Humanitarian Affairs Review* (2005), 15.

jets or battalions of commandos.¹⁴ It is from here that we find the subject of this paper. This paper will argue that the contemporary security environment requires a new security paradigm. Due to the complexity of issues and broad range of actors combined with a diminished capacity and in some cases interest, states can no longer be considered the sole guarantor of security and as such, private military companies are both an important and necessary actor in the provision of security. This field of study is important for a number of reasons. First of all, it is important to understand how this situation evolved as well as the boundaries of the emerging relationship between public and private security entities. Additionally, it is just as important to recognize the limits of this new paradigm, particularly the issues that threaten the credibility of the private security industry.

As a means of approaching this issue, Chapter 1 will first establish historical context by examining the use of private soldiers throughout history. Beginning with the period of Antiquity, and continuing through the Middle Ages, Renaissance, and finally the Modern era, this chapter will consider some of the fundamental reasons why the ruling classes have relied on mercenary soldiers throughout history and in doing so demonstrate that private soldiers have historically played a role in the provision of security.

Following from here, Chapter 2 will examine some of the more prevalent reasons behind the recent surge in PMFs on the global market. This study will be done within the context that a shift in economic paradigms opened the door to increased privatization. From here, this chapter will then focus on how post-Cold War reductions in personnel levels and military spending helped open the door to the private military industry.

¹⁴ *Ibid.*, 15.

Chapter 2 will conclude that the conditions that led to the creation of private military companies still exist today.

Next, Chapter 3 will examine the present day PMC clientele. It will take a broad look at the different organizations and groups who hire the services of private military companies. This list of clients will include states, both strong states and weak, the private sector, non-state actors and international organizations. This examination will also consider some of the reasons why these organizations turn to PMCs. By way of conclusion, this chapter will offer that the demands of the current security environment will keep PMCs in business.

Chapter 4 will touch on some of the established concerns regarding the use of private military companies. While not exhaustive, the issues discussed here will include: the legal status of contractors, the perception of industry wide corruption, the problems posed in military missions by the lack of command and control over private contractors, and the apprehension that the idea of private military companies threatens the military profession. This chapter will conclude that unless the industry addresses these issues, they will threaten the industry's credibility and could put its long term sustainability at risk.

Finally, Chapter 5 will offer some ideas on the way ahead for the private military industry. This chapter will identify an emerging concern within the industry, specifically the impact of a current trend towards the creation of private military oligopolies. From here, this chapter will consider some of the more immediate recommended changes to industry practices including improved industry regulation. Finally, Chapter 5 will outline some of the indicators and reasons why PMCs will continue to thrive in the market place.

This chapter will conclude that private military companies will continue to play a critical role in the provision of security.

By way of conclusion, this paper will come to the decision that the private military industry is sustainable as consequently, private military companies are an important and necessary contributor in the provision of security in the current global environment.

What are Private Military Companies?

Although PMCs have been on the market for some twenty years, little is known about this industry. The diversity of the industry and manner in which it exploded during the War on Terror may offer some explanation for this. As Carlos Ortiz, a research fellow at the Centre for Global Political Economy at the University of Sussex stated “Despite growing awareness of the private military company as a distinct commercial entity due to the involvement of numerous such enterprises in Iraq and the wider war on terror, confusion is still palpable in determining what precisely constitutes a PMC.”¹⁵ In *Addressing the Role of Private Security Companies*, Anna Smith and Richard Smith suggested that “A set of internationally agreed and distinct definitions for the various operators in the sector has proved elusive, in part because different actors’ activities can easily overlap.”¹⁶ This section will offer some insight from industry watchers on what constitutes a private military company.

Ortiz offered that “PMCs are commercial enterprises offering services that often involve knowledge in the use of force.”¹⁷ With this in mind, Ortiz defined PMCs as “legally-established international firms offering services that incorporate the potential to exercise force in a systemic way and by military or paramilitary means, and/or the transfer or enhancement of that potential to clients.”¹⁸ Ortiz adds that PMCs are

¹⁵ Carlos Ortiz, "The Private Military Company: An Entity at the Center of Overlapping Spheres of Commercial Activity and Responsibility," in *Private Military and Security Companies*, eds. Thomas Jager and Gerhard & Kummel (Wiesbaden: VS Verlag, 2007), 55.

¹⁶ Anna Richards and Henry & Smith, *Addressing the Role of Private Security Companies within Security Sector Reform Programmes* (London: Saferworld, 2007), 6.

¹⁷ Ortiz, *The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry*, 35.

organized along a service spectrum; at one are the companies that assist in the management of violence (Executive Outcomes, Blackwater USA), while at the opposite end are companies that offer specialized tasks (Medical Support Solutions).¹⁹

Another interpretation has been offered by Peter W. Singer, a fellow at the Brookings Institute, who adopted the term private military firms (PMFs) which he described as “They are business organizations that trade in professional services intricately linked to warfare. They are corporate bodies that specialize in the provision of military skills, including combat operations, strategic planning, intelligence, risk assessment, operational support, training and technical skills.”²⁰ In short, “PMFs are private business entities that deliver to consumers a wide spectrum of military and security services, once generally assumed to be exclusively inside the public context.”²¹ Singer added that the private military firms can be broken down into three broad sectors: private military companies which provide combat and protection services; military consultant firms which provide advisory, and training services; and military support firms which provide logistics, technical support, and transportation.²²

A third definition offered by Anna Richards and Henry Smith is similar to Singer’s approach in that they suggest that the industry is too broad for any one single definition and as such recommend that the businesses that comprise the private military

¹⁸ *Ibid.*, 35.

¹⁹ Ortiz, *The Private Military Company: An Entity at the Center of Overlapping Spheres of Commercial Activity and Responsibility*, 56-57.

²⁰ Peter W. Singer, *Corporate Warriors: The Rise of the Privatized Military Industry* (Ithaca: Cornell University Press, 2003), 8.

²¹ *Ibid.*, 8.

²² Singer, *Should Humanitarians use Private Military Services?*, 15.

industry be grouped along functional lines. Smith and Richards offer that businesses be classified as either a PMC or a Private Security Company (PSC); suggesting that “Though PMCs are often perceived as offering traditional military services, the majority actually offer more passive services such as training and logistical support. However, PSCs tend to offer a more protective service for their clients.”²³

While confusion still surrounds exactly what constitutes a PMC, there is no ambiguity with regards to what a PMC is not – freelance mercenaries. According to Doug Brooks, founder and president of the International Peace Operations Association (IPOA), freelance mercenaries are “private individual soldiers that offer military services on the open market to the highest bidder.”²⁴ Unlike PMCs who maintain a degree of ethics in their operations, freelance mercenaries have no compunction about accepting employment from less reputable sources of employment.²⁵ Whereas PMCs fear the financial retribution that illegal or unethical operations, freelance mercenaries usually seek out employment with countries that are facing sanctions or criminal organizations.²⁶

The subject of this paper is what Ortiz and Singer referred to as private military companies and Richards and Smith referred to as private security companies; that is, privately owned companies that offer clients combat and protection services. In the absence of a clear and acknowledged single term, this paper will adopt the expression Private Military Company when referring to these entities. The adoption of this one

²³ Richards and & Smith, *Addressing the Role of Private Security Companies within Security Sector Reform Programmes*, 6.

²⁴ Doug Brooks, "Messiahs Or Mercenaries? the Future of International Private Militray Services," *International Peacekeeping* 7, no. 4 (2000), 130.

²⁵ *Ibid.*, 130.

²⁶ *Ibid.*, 131.

phrase is not intended to quietly dismiss the complexity of the matter but rather to avoid the potential for confusion by switching between the differing terms.

CHAPTER 1 - PRIVATIZED MILITARY HISTORY

Introduction

The modern day presence of contracted soldiers on the battlefield should neither surprise nor shock the public. This is not a new trend, but rather is a practice as old as warfare itself. In *War PLC*, Stephen Armstrong observed that the earliest recorded account of soldiers for hire dates back to the Battle of Megiddo in 1479 BCE, where the Egyptian King Thutmose III incorporated African mercenaries within his force.²⁷ Similarly, Singer noted that, “Nearly every past empire, from the ancient Egyptian to the Victorian British, contracted foreign troops in some form or another. In some eras, these private entrants into conflicts were individual foreigners brought into the fight on whichever side paid the highest, while in others; they came in the form of highly organized entries.”²⁸

This chapter will examine the history of contracted soldiers, this laying the groundwork to understand the present day private military companies. In particular, it will consider some of their activities, their significance, and conditions under which private soldiers have been employed throughout history. As a means of approaching this issue, this chapter will first look at some of the earliest recorded uses of hired soldiers during the period of antiquity. From here, it will then consider why medieval rulers and city states during the Middle Ages and Renaissance respectively hired private soldiers. Last of all, this chapter will consider the use of contractors in the Modern Era. This chapter will conclude by challenging the general assumption that warfare is engaged in

²⁷ Stephen Armstrong, *War PLC - the Rise of the New Corporate Mercenary* (London: Faber & Faber Limited, 2008), 16.

²⁸ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 19.

by public armies by demonstrating that private entities motivated by profit have historically been participants in war.²⁹

Ancient History

The Ancient history period can be characterized as perpetual warfare fuelled by the various economical, political and social rivalries of the time. Yet, in spite of this near constant state of conflict, few early governments established the administrative and logistical capacity to raise an army from within its citizenry.³⁰ Consequently, these states had no alternative than to turn to professional soldiers to fill out the ranks of their armies. As Singer has written, “Trained soldiers were a premium resource, and thus foreign units were valued for the expertise they could add to any ancient army.”³¹

G.T. Griffith, author of *The Mercenaries of the Hellenistic World*, has written that there was a particularly high demand for the services of Cretan slingers, Syracusan hoplites and Thessalian cavalry.³² Hoplites, for example, were particularly prized because of the fear they instilled in an enemy.³³ Capable of going on the attack, explained author Rolf Uessler, hoplites advanced on an enemy in their revolutionary phalanx formation, gradually picking-up speed until finally storming the enemy at full sprint. Under the weight of this attack, an enemy’s front ranks would be gored and

²⁹ *Ibid.*, 19.

³⁰ *Ibid.*, 20.

³¹ *Ibid.*, 20.

³² G. T. Griffith, *The Mercenaries of the Hellenistic World* (Groningen: Bouma's Boekhuis, 1968), 4.

³³ Rosen, *Contract Warriors*, 47.

trampled. Considering that there was no known defence against this attack, it was not uncommon for opposing armies to simply turn and run.³⁴

In the following period, new military powers such as Carthage and Rome also relied on soldiers for hire. Carthage, for example, in part because of its small population was almost entirely dependent on mercenary soldiers.³⁵ During the Punic War's with Rome, the armies fielded by the legendary Carthaginian commander Hannibal, consisted primarily of foreign soldiers.³⁶ In fact, it was only when Roman Consul Scipio Africanus captured Carthage's silver mines in Spain, thereby preventing the African city state from maintaining its large hired army, did Hannibal's army suffer defeat.³⁷

While the early Roman Republic was notably distinguished by its citizen army, it nonetheless also relied on mercenaries and hired units to provide specialists such as archers and cavalry.³⁸ What is more, as the Republic grew into an Empire, the scope of these hired units expanded as it became harder to recruit the required number of native Romans into the force.³⁹ According to Hans Delbruck, author of *History of the Art of War*, by the end of the empire, Rome's army was more Germanic than Roman.⁴⁰

³⁴ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 95.

³⁵ Rosen, *Contract Warriors*, 53.

³⁶ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 21.

³⁷ Bevin Alexander, *How Great Generals Win* (New York: W.W. Norton & Company, 1993), 49.

³⁸ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 21.

³⁹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 96.

⁴⁰ Hans Delbruck, *History of the Art of War: Within the Framework of Political History* (Westport, Conn: Greenwood Press, 1975), 2.

Middle Ages

If ancient history is known as a period of continuous warfare, the Middle Ages are known as the age of private wars.⁴¹ As states continued to emerge, like the states of Antiquity, they possessed a limited capacity to harness the people for battle, and consequently, the public's role in mounting and sustaining military operations was quite modest.⁴² In *Corporate Warriors*, Singer observed that the feudal system's military inefficiency was a major factor contributing to a medieval army's dependence on hired soldiers.⁴³

For example, one of the principal complications faced by medieval rulers trying to raise an army was their dependence on nobles. In *Private Sector, Public Wars*, author James Carafano highlighted this issue when he stated, "It is wrong to think of medieval Kings and Emperors as the equivalents of the heads of a modern state. Some commanded little beyond the parapets of their castle or the walls of the capital. When rulers wanted to take up arms, they most often had to rent, borrow, buy, cajole or connive for the troops, supplies and support to mount a campaign."⁴⁴ As such, rulers more often than not had little option but to rely on the local nobility who controlled the land, wealth and tenants to raise an army. It was most often only in exchange for more wealth, status, and power that noblemen would agree to help raise and lead forces in the field.⁴⁵

⁴¹ James Jay Carafano, *Private Sector, Public Wars* (Westport, CT: Praeger Security International, 2008), 19.

⁴² *Ibid.*, 19.

⁴³ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 22.

⁴⁴ Carafano, *Private Sector, Public Wars*, 19.

⁴⁵ *Ibid.*, 20.

This relationship was often complicated by the fact that rulers often had to depend on nobles whose interests seldom completely coincided with their own and in some cases on the same nobles against whom military action was to be directed.⁴⁶ When these situations arose, Kings and Emperors preferred to hire dependable generals and to recruit foreign mercenaries over summoning their own nobles and subjects to war.⁴⁷

What is more, given that locally raised armies were made primarily from conscripted peasants, they were available in limited numbers and for limited periods of time.⁴⁸ Most often, this force was poorly armed, supplied and disciplined and possessed limited military training and therefore could not be depended on in battle.⁴⁹ As such, professional soldiers were called upon to “fill out the more technical services that short-term feudal forces could not supply.”⁵⁰ For example, the crossbow was a weapon considered unfit for noble gentlemen and too technical for a conscripted peasant to master.⁵¹

⁴⁶ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 98.

⁴⁷ William Urban, *Bayonets for Hire: Mercenaries at War, 1550 - 1789* (London: Greenhill Books, 2007), 41.

⁴⁸ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 98.

⁴⁹ Carafano, *Private Sector, Public Wars*, 22.

⁵⁰ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 22.

⁵¹ *Ibid.*, 22.

The Renaissance

The transition from the Middle Ages to the Renaissance is commonly acknowledged as the time when professionals emerged and took on the responsibility for the delivery of services to the public.⁵² This rise of the professional class led to improvements in all facets of society, including the delivery of public administration. Regarding private soldiers, this development was significant for two reasons. First of all, it resulted in increased wealth and as such, “It was in the interest of the economy to avoid a total military mobilization of society and protect tradesmen from the unprofitable burdens of defence and war.”⁵³ Secondly, improvements in taxation allowed rulers to access this wealth, allowing rulers to end their dependence on the feudal lords for the provision of armed forces.⁵⁴ As Uessler has written, “The perfect solution . . . was the professional alternative provided by the condottieri.”⁵⁵

Renaissance Italy was divided into a series of rival city states that continually fought not only with one another but against foreign powers as well.⁵⁶ Its leading cities: Pisa, Florence, Milan and Genoa, routinely supplemented their meagre state armies with the condottieri. The condottieri were the mercenary organizations formed when minor nobility joined with late medieval period free companies.⁵⁷ Codottieri, literally means contractors and was a reference to the condotta, or contract, that each soldier was

⁵² Urban, *Bayonets for Hire: Mercenaries at War, 1550 - 1789*, 29.

⁵³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 99.

⁵⁴ Carafano, *Private Sector, Public Wars*, 22.

⁵⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 99.

⁵⁶ Rosen, *Contract Warriors*, 70.

⁵⁷ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 100.

required to sign. This contract specified the term of employment the soldier was obligated to fulfill while guaranteeing how much each individual soldier would be paid. The contract also traditionally contained a provision in which the condottieri swore not to serve an opposition leader for a set period of time after they left their prince's employ.⁵⁸ Uessler has written that, "Over the course of time, provisions were even laid out in writing for sanctions in case of violation of breakage of contract."⁵⁹

Following on the success of the condottieri, similarly organized groups began to spring up in countries throughout Europe. The Swiss guards, for example, quickly became a popular export because of their reputation as an efficient military organization and cheap rates. A second group were the German lansquenets. Described initially as an inferior copy of the Swiss guards, Uessler has pointed out that over time, the lansquenets became a much sought after force as they successfully expanded their capabilities to include specialized units for specific battle situations, procured new types of weaponry, and began using artillery.⁶⁰

The Modern Age

As the Renaissance period was drawing to a close, the idea of nationhood was maturing throughout Europe and with it, a shift in culture that saw the population identify more with a nation than a lord.⁶¹ The Peace of Westphalia, signed in 1648, established a new political order in Europe based on the idea of a sovereign state having responsibility

⁵⁸ Rosen, *Contract Warriors*, 70-71.

⁵⁹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 100.

⁶⁰ *Ibid.*, 100-101.

⁶¹ Urban, *Bayonets for Hire: Mercenaries at War, 1550 - 1789*, 30.

for affairs internal to its borders.⁶² According to Uessler, “The Treaty of Westphalia brought an end to mercenary bands in Europe, but not to mercenaries themselves. With its monopoly on the legitimate use of armed force, the state could always decide whether it wanted mercenaries or its own subjects in its armies.”⁶³ As war broke out throughout the continent, some countries continued to hire mercenaries to augment their national armies while others smaller nations such as the German state of Heese-Kassel took advantage of the opportunity to build up their coffers hiring out their own military to fight others’ war.⁶⁴

According to Uessler, The French Revolution in 1789 marked the end to the age of the mercenary soldier when on February 20, 1790; the Constitutional Assembly banned the employment of mercenaries on French soil.⁶⁵ “Within a few decades, the other major European nations followed France’s example, introducing the universal draft and converting their national forces into popular armies.⁶⁶ This development can largely be attributed to a number of factors. First of all, the adoption of the musket as the principle weapon of war meant that large numbers of soldiers could be raised more quickly through conscription of the citizenry than hiring foreign mercenaries.⁶⁷ What is more, citizen soldiers were more prepared to sacrifice their lives than mercenaries on

⁶² Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 29.

⁶³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 105.

⁶⁴ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 33.

⁶⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 106.

⁶⁶ *Ibid.*, 106-107.

⁶⁷ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 29.

mediocre wages.⁶⁸ As Uessler has written, “Mercenaries, once held in high regard, began to be considered vagabonds of dubious character.”⁶⁹ “As citizen armies became the new norm, states also began to pass neutrality laws, which prohibited their citizens’ enlistment in foreign armies,”⁷⁰ while numerous national laws and international conventions were passed restricting mercenary activities.⁷¹ As Uessler stated, “Until the late twentieth century, mercenaries would play only a marginal role in military history.”⁷²

Conclusion

Private soldiers have deep historical roots. From Thutmose’s first recorded use of contracted soldiers in the Battle of Megiddo in 1479 BCE until the present day, history demonstrates that rulers and states throughout the ages have relied on mercenary soldiers. Whether it was because of a state’s administrative inability to raise an army, the need to add a specialist capability, or insufficient population, the simple fact of the matter is that private soldiers have historically been participants in war. As Singer stated, “Our general assumption of warfare is that it is engaged in by public militaries, fighting for the common cause. This is an idealization. Throughout history the participants in war were often for-profit private entities loyal to no one government.”⁷³

⁶⁸ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 106.

⁶⁹ *Ibid.*, 106.

⁷⁰ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 31.

⁷¹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 106.

⁷² *Ibid.*, 107.

⁷³ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 19.

The next chapter will discuss in some detail the factors behind the recent growth of PMCs and accordingly demonstrate that modern day PMCs are well entrenched in today's global security environment.

CHAPTER 2 – RISE ON AN INDUSTRY

Introduction

Although private soldiers have been around for centuries, the end of the Cold War is generally recognized as the time when private military companies began to appear in earnest in the international security field. There was no one single cause behind this phenomenon but rather, the rise of the private military industry was representative of changes in twenty-first century security and business environments.⁷⁴ For instance, Cold War reductions to both military personnel levels and expenditures heavily influenced the growth of this industry. What is more, these reductions occurred at a time when the number of regional conflicts around the world was increasing. Keishi Ono, a fellow with the Japanese National Institute for Defense Studies concisely described this when he stated, “On the one hand, the militaries of developed countries have been scaled down, while on the other hand, the frequency of military dispatch by developed countries, including peacekeeping operations, has risen unexpectedly.”⁷⁵

This chapter will examine some of the more prevalent reasons behind the recent surge in growth of private military companies. To establish context, this chapter will first consider how a shift in economic paradigms encouraged privatization therefore opening the market to the private military industry. From here, this chapter will then focus on how factors such as: post-Cold War reductions in personnel levels and military spending, an unexpected rise in regional conflicts, and globalization contributed to the rapid growth of PMCs. Finally, this chapter will look at the start-up of Executive Outcomes as a

⁷⁴ *Ibid.*, 49.

⁷⁵ Keishi Ono, "Post Conflict Reconstruction and the Private Security Company," *The National Institute for Defense Studies News* (2008), 1.

practical example to illustrate this phenomenon. Chapter 2 will conclude that the conditions that led to the creation of private military companies still exist today.

Economic Paradigm Shift

During the 1980s, the West underwent a shift in its public management and business paradigm towards the New Public Management (NPM) model. Central to this change was the adoption of the NPM policies of public accountability and organizational best practices which stressed increased government efficiency.⁷⁶ In *The New Public Management of Security*, Carlos Ortiz offered that this increased efficiency was to be achieved by giving the private sector a greater role in the delivery of public tasks.⁷⁷ The idea here was that government would allow private sector firms to compete for public service contracts. Based on the bids received, the government would then select the best firm for the delivery of services. The central idea behind NPM was that competition would ensure both an optimal price and greater efficiency. As such, NPM redefined the relationship between the public and private sectors by focusing on the privatization and outsourcing of public functions and services.⁷⁸ Professors David Rosenbloom and Robert Kravchuk explained this situation best when they stated, “NPM thus involves a recasting of the traditional relationship between the public and the private sectors.

⁷⁶ Christopher Hood, "The "New Public Management" in the 1980s: Variations on a Theme," *Accounting, Organizations and Society* 20 (1995), 93.

⁷⁷ Ortiz, *The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry*, 36.

⁷⁸ Ortiz, *The Private Military Company: An Entity at the Center of Overlapping Spheres of Commercial Activity and Responsibility*, 57.

Private firms can now enter areas previously considered the preserve of the state, because they become partners in delivering public goods and services.”⁷⁹

As Cold War came to its conclusion in the late 1980s, NPM practices were already engrained in many Western governments and economies. Therefore, when Western militaries were forced to find efficiencies in the face of personnel and budget cuts; it was only natural that they look for private sector solutions. While this relationship initially began with the private sector providing logistics functions, over time; militaries came to rely on PMCs for an increasingly broader range of services. PMCs may have exploded onto the market after the start of the Iraq War in 2003, but adherence to the NPM paradigm had long since opened the door to their existence.

Cold War Personnel Reductions

One of the central considerations behind the proliferation of PMCs was the end of the Cold War; specifically the subsequent reductions in military personnel. To appreciate the scope of these cuts one only has to consider that the United States Department of Defence (DoD) alone, reduced its active duty forces by some 700,000 soldiers.⁸⁰ The result of the downsizing of armed forces, not only amongst the North Atlantic Treaty Organization (NATO) and Warsaw Pact, but around the world, resulted in large numbers of experienced personnel available for private contracting.⁸¹

⁷⁹ D. H. Rosenbloom and D. S. and Kravchuk, *Public Administration. Understanding Management, Politics and Law in the Public Sector*, 5th ed. (New York: McGraw-Hill, 2002), 501.

⁸⁰ David Perry, "Contractors in Kandahar, Eh? Canada's 'Real' Commitment to Afghanistan," *Journal of Military and Strategic Studies* 9, no. 4 (2007), 3.

⁸¹ D. D. Avant, *The Market for Force. the Consequences for Privatizing Security* (Cambridge: Cambridge University Press, 2005), 16.

A second order effect resulting from these personnel reductions was, ironically, insufficient personnel. As Colonel Mark F. Cancian, United States Marine Corps (Retired) explained, “Instead of a global war against another superpower and its allies, strategic planning following the Cold War called for preparations against two nearly simultaneous regional conflicts; and while this planning called for the same kind of high intensity conflict that typified the Cold War, it was not envisioned to be on the same scale or timeline.”⁸² Consequently, when the West entered into conflicts in both Afghanistan and Iraq, their armed forces no longer had a sufficient number of personnel to conduct protracted operations.⁸³ Faced with this dilemma, the solution was PMCs. Private contractors would be called on to fill the gap between the force that was needed and the force that was available.⁸⁴ As Jeffrey F. Addicott, the Director of the Center for Terrorism Law at St. Mary's University School of Law in San Antonio, Texas, has written, “Accordingly, tens of thousands of civilian engineers, technicians, construction workers, food service providers, weapon specialists, security guards, and others work under government contracts . . . shoulder to shoulder with their military counterparts.”⁸⁵

Cold War Budget Reductions

The other half of the Cold War impact on the proliferation of PMCs was the effect of military budget reductions. Globally, governments welcomed the opportunity to decrease their defence spending. Western governments in particular heralded how the

⁸² Mark Cancian, *Contractors: The New Element of Military Force Structure*, Vol. 38 (Carlisle Barracks, 2008), 61.

⁸³ Perry, *Contractors in Kandahar, Eh? Canada's 'Real' Commitment to Afghanistan*, 2.

⁸⁴ Cancian, *Contractors: The New Element of Military Force Structure*, 5.

⁸⁵ Jeffrey F. Addicott, "The Political Question - Doctrine and Civil Liability for Contracting Companies on the Battlefield," *The Review of Litigation* 28, no. 2 (2008), 2.

peace dividend would translate into the economic benefits by reallocating military spending to peacetime purposes, such as housing, education, and social programs.⁸⁶ These reductions forced militaries to find ways to reduce costs while maintaining the quality and capabilities of their forces. This requirement led militaries to begin identifying their baseline competencies, activities, and tasks as either a core or a non-core function. Core functions were defined as those “directly essential to the achievement of the defence mission, while those deemed non-core would be made subject to privatization.”⁸⁷ While this concept was initially challenged, proponents within the American military community argued that “even the most conservative estimates indicate that the DoD can save a significant amount ... by contracting out most of its support functions and a large part of its logistics manpower.”⁸⁸ David Perry explained that by following this practice, militaries “sought to privatize support functions as a means of saving money that could be reinvested in war fighting capabilities.”⁸⁹ Once the Americans adopted this model, other countries soon followed. One such example can be found in Canada where, in the wake of the defence spending cuts introduced by Jean Chretien’s Liberal government in the 1990s, the Canadian Forces looked to the private-sector for the delivery of defence functions as a means of budgetary savings.⁹⁰ “Like the US DoD, Canada first looked for logistics solutions, however as their operational

⁸⁶ Investor Words, "Peace Dividend," <http://www.refworks.com/Refworks/mainframe.asp?tsmp=12718890055142010>.

⁸⁷ David Perry, "The Privatization of the Canadian Military: Afghanistan and Beyond," *International Journal* 64, no. 3 (2009), 3.

⁸⁸ Perry, *Contractors in Kandahar, Eh? Canada's 'Real' Commitment to Afghanistan*, 4.

⁸⁹ *Ibid.*, 4.

⁹⁰ Perry, *The Privatization of the Canadian Military: Afghanistan and Beyond*, 1.

commitments continued to increase, practically during the War on Terror, Western militaries reliance on PMCs increased.”⁹¹

Increase in Regional Conflict

A second contributing factor to the growth of PMCs was the unexpected increase in regional conflicts. The end of the Cold War was supposed to have marked a new era of peace, yet the reality proved to be something quite different. P.W. Singer described this situation when he stated, “peace in the West, war for the rest.”⁹² Singer suggested that “In part, these wars are a consequence of a power vacuum that is typical of transition periods in world affairs;” adding that “In the previous period, the two superpowers provided order and stability and strictly controlled trouble spots. Conflicts certainly did occur, but those that threatened to spread were kept in check and many internal revolts were either deterred or quickly clamped down. This is no longer the case.”⁹³

This increase in regional conflicts was largely attributed to the diminished political will of Western governments to intervene in remote parts of the world.⁹⁴ For example, former US President Bill Clinton declared that the United States would only support initiatives if they were crucial to international security or more likely the US national interest.⁹⁵ Philip van Niekerk, a journalist with the US based Centre of Public

⁹¹ *Ibid.*, 3.

⁹² Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 50.

⁹³ *Ibid.*, 50.

⁹⁴ Ortiz, *The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry*, 36.

⁹⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 116.

Integrity,⁹⁶ commented on this trend when he stated, “During the 1990s Western governments increasingly shied away from sending national troops into the conflicts in the Third World that were not popular at home. The common refrain was that these countries were not worth shedding the blood of Americans, Britons, or Frenchmen.”⁹⁷

One particular area that proved to be rife with conflict was postcolonial states. Under the Cold war construct, many of these countries had enjoyed the support of a first world nation and consequently had little incentive to develop their public administration infrastructure. When the support of their patron superpower was removed, these nation’s lacked the necessary institutions to function on their own and subsequently buckled from internal pressures.⁹⁸ The resulting chaos and conflict provided new opportunities for PMCs. Africa, in particular, was rife with weak and failing states who reached out to PMCs to train or militarily assist its troops.⁹⁹ For example, Executive Outcomes worked in Sierra Leone, Botswana, Ethiopia, Zambia and Namibia, MPRI in Liberia and Angola, Ronco in Rwanda and Mozambique, and Saracen International in Uganda but to name a few.¹⁰⁰

What is more, with the collapse of the security balance maintained by the superpowers, countries renewed old rivalries and fighting began across borders; the

⁹⁶ The Center for Public Integrity is dedicated to producing original investigative journalism about significant public issues to make institutional power more transparent and accountable.

⁹⁷ *Ibid.*, 117.

⁹⁸ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 50.

⁹⁹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 61.

¹⁰⁰ *Ibid.*, 61.

Ethiopia-Eritrea conflict serves as an example.¹⁰¹ In these state-on-state conflicts, the warring nations turned to the private sector for military forces and capabilities.¹⁰² “The large numbers of small conflicts that resulted created a demand for private security to fill the superpower void.”¹⁰³ Eeban Barlow, the founder of Executive Outcomes perhaps described this situation best when he stated, “The end of the Cold War left a huge vacuum and I identified a niche in the market.”¹⁰⁴

Globalization

A third contributing factor to the growth of PMCs was the spread of globalization – specifically, economic globalization. Doug Brooks commented on the effect of this trend when he stated “Economic globalization has led to greater profits from investments in natural resource extraction operations in less developed countries. Even countries suffering from armed conflict offer impressive opportunities for profits and this spurs increased investment by multi-national corporations.”¹⁰⁵ He went to add, “To counter the obvious risks to their operations in conflict situations, many MNCs turn to private security services.”¹⁰⁶ For example, Rolf Uessler noted in *Servants of War*, “As early as the early 1990s, the multinational diamond consortium De Beers was already employing

¹⁰¹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 51.

¹⁰² *Ibid.*, 51.

¹⁰³ Brooks, *Messiahs Or Mercenaries? the Future of International Private Military Services*, 132.

¹⁰⁴ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 101.

¹⁰⁵ Brooks, *Messiahs Or Mercenaries? the Future of International Private Military Services*, 133.

¹⁰⁶ *Ibid.*, 133.

a PMC called Executive Outcomes to carry out covert operations relating to diamond reserves in southern Africa, specifically in Botswana and Namibia.”¹⁰⁷

Executive Outcomes

The story behind Executive Outcomes, the company widely recognized as the first modern day PMC, serves to underline how changes in twenty-first century security and business environments contributed to the growth of the private military industry.

Executive Outcomes was a South African firm founded in 1989 by Lieutenant-Colonel (Retired) Eeban Barlow. During his military career, Barlow served with both the South African Defence Force’s (SADF) Civil Cooperation Bureau (CCB) and infamous 32 “Buffalo” Battalion. In *Licensed to Kill*, author, Robert Young Pelton stated:

The 32 Battalion specialized in conducting unconventional bush wars and during the apartheid era would run long-range counterinsurgent operations to track terrorists and communist rebels back to their bases across the borders in Angola and Namibia. The CCB was essentially a dirty-tricks bureau that assassinated foes in other countries, created disinformation, and propped up the apartheid government.¹⁰⁸

Executive Outcomes advertised services that included: strategic and tactical military advisory services; military training packages in land, sea and air warfare; peacekeeping; advice to armed forces on weapons selection and acquisition; and paramilitary services.¹⁰⁹ In lieu of a standing force, EO maintained a database of available personnel, most of who were drawn from the SADF’s elite units such as the 32 Battalion, Parachute Brigade, Reconnaissance Commandos, and CCB.¹¹⁰ According to

¹⁰⁷ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 56.

¹⁰⁸ Young Pelton, *Licensed to Kill - Hired Guns in the War on Terror*, 255.

¹⁰⁹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 104.

Singer, “When the apartheid regime ended, most of these units were summarily disbanded, leaving thousands of veterans available for work. These veterans became the base of EO’s employee pool.”¹¹¹ In short, Executive Outcome’s clients rented the services of an extremely experienced and modern small army, which proved to be both cheap and efficient.¹¹²

During its ten years of operations, Executive Outcomes was said to have been involved in nearly every armed conflict in Africa. Most famously, EO was hired by the governments of Angola in 1992 and Sierra Leone in 1995 where they assisted government forces in their ongoing fight with National Union for the Total Independence of Angola (UNITA) and Revolutionary United Front (RUF) forces respectively. In both these cases, Executive Outcomes were credited with rescuing legitimate governments from destabilizing forces and their operations here quickly earned them a reputation as a state-of-the-art, high-tech fighting force against which no third world army stood a chance.¹¹³ Yet, EO was not limited to working for states alone and could count such international firms as De Beers, Chevron and Texaco among its corporate clients.

Executive Outcomes announced a cessation of operations on January 1, 1999, largely because the South African government’s enactment of the Regulation of Foreign Military Assistance Bill. This new legislation required private military companies to seek government authorization for each contract.¹¹⁴ Yet in spite of its dissolution, the

¹¹⁰ *Ibid.*, 102.

¹¹¹ *Ibid.*, 102.

¹¹² Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 81.

¹¹³ *Ibid.*, 81.

company is recognized today as the PMC model. As P.W. Singer stated, “EO was a true innovator in the overall privatized military industry, providing the blueprint for how effective and lucrative the market of forces-for-hire can be. The Executive Outcomes name itself may be a thing of the past, but the business of providing tactical military assistance is alive and well.”¹¹⁵

Conclusion

While private soldiers have been active in war and conflict zones throughout history, modern day private military companies began to enter the marketplace around the end of the Cold War. This trend was representative of changes in twenty-first century security and business environments as opposed to any one single definitive cause. In particular, the West’s shift towards the New Public Management model encouraged greater privatization of public services and as such opened the market to the prospect of privatized military companies. What is more, events such as the end of the Cold War, the increase in regional conflicts and globalization all helped to create the demand for PMC services – a demand that is still very much present in today’s security environment.

Demand will be the subject of the next chapter. Chapter 3 will examine the present day PMC clientele. While Western governments are the industry’s largest customer, PMCs do not limit themselves to working for governments exclusively. Today, PMCs can count privately owned multinational corporations, international organizations and humanitarian organizations and in some cases, non-state actors such as rebel groups and drug cartels amongst its clientele.

¹¹⁴ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 118.

¹¹⁵ *Ibid.*, 118.

CHAPTER 3 – THE CLIENTS

Introduction

One simple explanation that can be offered to account for the success of modern day private military companies is that they are “open to all customers.”¹¹⁶ In fact, the list of present day may come as a surprise to some those who believe that the state alone is responsible for the provision of security. Western governments employ PMCs in the War on Terror in Iraq and Afghanistan while in Africa, states hire PMCs to fight alongside their national army soldiers against rebel groups. PMCs protect business interests around the world while organizations such as the UN, the International Committee of the Red Cross (ICRC), and World Vision use PMCs to protect facilities and staff in hostile environments. In short, today’s market can readily offer significant military capabilities to any client who can afford them.¹¹⁷

This chapter will examine the demand for PMCs. This examination will focus on those clients who hire PMCs and their motives. While this list is not exhaustive, it will include such actors as strong states, weak and failing states, the private sector, international organizations, and finally non-state actors. This chapter will conclude that the demands of the current security environment will keep PMCs in business.

Strong States

Today, as has been the case throughout history, the principle client of the private military industry is strong states. In *Servants of War*, Rolf Uessler defined strong states as “Nations that possess fully developed and functional legal, auditing, and security

¹¹⁶ *Ibid.*, 180.

¹¹⁷ *Ibid.*, 171.

systems both at home and abroad. Such countries are not only capable of defending themselves militarily against external enemies but also solve conflicts by peaceful means.”¹¹⁸ Given this description of the strong state, it seems rather paradoxical that these states would call on the services of PMCs.

Yet, as discussed in Chapter 2, strong states’ reliance on PMCs has steadily increased since the end of the Cold War. “Among the Western states with an active global presence, the United States, a leader in both the establishment and use of private military companies, is well suited to serve as an example of how strong states employ private military companies.”¹¹⁹ The United States government employs PMCs, almost exclusively, as a means to expand the capacity of the armed forces. For example, during the period from 1992-2002, the US Department of Defence entered into over 3000 contracts with American based private military companies worth an estimated contract value of more than \$300 billion dollars.¹²⁰ In 2006, the US DoD spent more than \$300 billion dollars in that year alone on contracted goods and services.¹²¹ Today contractors in Iraq are referred to as the second largest “army” in that country (behind only the US military). In 2008, the Americans employed some 265,000 private military contractors in Iraq, 113, 000 of which provided security and logistics.¹²² As Colonel Mark F. Cancian, United States Marine Corps (Retired) explained, replacing contractors with military

¹¹⁸ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 45.

¹¹⁹ *Ibid.*, 26.

¹²⁰ Singer, *Should Humanitarians use Private Military Services?*, 15.

¹²¹ William C. Latham, "Noy My Job: Contracting and Professionalism in the U.S. Army," *Military Review* 89, no. 2 (2009), 1.

¹²² Cancian, *Contractors: The New Element of Military Force Structure*, 1.

personnel is simply not feasible considering that for every one soldier in theatre there are two more at home. As such, replacing these 113, 000 contractors would take some 400,000 additional soldiers when training and administrative support requirements are considered.¹²³ Consequently, Cancian offered that contractors are a necessary element and, like the reserves, are a part of the force structure.¹²⁴

While the US government may be the private military industries largest state client, it must be noted that this industry is not just a US phenomenon, but a global industry. Though not to the same extent as the US, other strong states including Germany, Britain, France, Canada and Australia all have and continue to explore the possibilities of military privatization. For example, when the Canadian Forces (CF) experienced difficulties generating a sufficient number of soldiers to sustain its international commitments, it too, like the DoD, has increasingly relied on the private sector for support. At the end of 2008, in addition to logistics support, Canada had turned to contractors to provide services such as theatre aviation and site security.¹²⁵

Weak and Failing States

While strong states may be the PMCs largest client, weak and failing states also routinely seek out the services of PMCs. Primarily located in the third world, Uessler defined weak states as those unable to guarantee their own internal security or defend their borders, while failing states were defined as those states incapable of maintaining

¹²³ *Ibid.*, 6.

¹²⁴ *Ibid.*, 6.

¹²⁵ Perry, *The Privatization of the Canadian Military: Afghanistan and Beyond*, 3.

one, several, or all of the various types of security a country needs.¹²⁶ The fundamental problem with weak and failing states is the lack of internal security, and consequently, weak and failing states hire PMCs to compensate their own security shortcomings.”¹²⁷ What is more, these state’s inability to provide for their own security has been compounded in recent years by the decreases in military aid from the strong states. As Keisha Ono stated, “As military aid from developed countries dwindled after the end of the Cold War, developing country militaries have become unable to maintain sufficient operational capability.”¹²⁸ “Africa, in particular, is full of examples of armed conflicts in which PMCs have been hired by the countries’ own governments to train or militarily assist its troops.”¹²⁹ With the assistance of private contractors, numerous coups d’état have been prevented, corrupt regimes kept in power, and bloodbaths averted.¹³⁰ For example, in 1995, when facing a civil war with a rebel army backed by assistance from Liberia, the government of Sierra Leone requested assistance from Executive Outcomes or is it EO in the form of a 22 month, \$35 million contract. The contract was for the provision of combat services, and resulted in successful suppression of the rebels and the signing of a peace agreement.¹³¹

¹²⁶ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 46.

¹²⁷ *Ibid.*, 60.

¹²⁸ Ono, *Post Conflict Reconstruction and the Private Security Company*, 2.

¹²⁹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 61.

¹³⁰ *Ibid.*, 61.

¹³¹ Ono, *Post Conflict Reconstruction and the Private Security Company*, 2.

The Private Sector

Following after states, the private sector is arguably the next most important source of clients for military contractors. As discussed in the previous chapter, one of the primary reasons for this is the impact of globalization which has integrated markets and opened-up new business opportunities around the world. In *Servants of War*, Rolf Uessler noted in that “the parts of the world where risk is the greatest are also those in which the highest profits can be made.”¹³² Accordingly, instead of relying on national governments to provide for their security, the private sector instead prefers to hire PMCs who are more reliable.¹³³

A second area where the private sector employs PMCs are in economic processing zones. Primarily located in the developing countries of Asia and Latin America, economic processing zones (EPZ) are a type of free trade zone (FTZ), set up by governments to promote industrial and commercial exports. In addition to providing the benefits of a FTZ, economic processing zones also offer corporations additional incentives such as exemptions from taxes and business regulations.¹³⁴ Used by commercial giants such as Nike and smaller companies alike, there are more than 3000 export processing zones in 116 countries with over fifty million people working in them.¹³⁵ According to Uessler, “Within an industry zone, the state in question has ceded most of its sovereign rights to the private sector – the state, for example, is only

¹³² Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 58.

¹³³ *Ibid.*, 60.

¹³⁴ Business Dictionary, "Export Processing Zone," <http://www.businessdictionary.com/definition/export-processing-zone-EPZ.html>(2010).

¹³⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 59.

responsible for external security. What happens inside a zone is almost exclusively dictated by the firms producing there – usually in conjunction with private security contractors.”¹³⁶

International Organizations

International, regional and humanitarian organizations constitute another group of PMC clients. P.W. Singer summarized this requirement when he stated, “Humanitarian workers now operate in far more dangerous war zones at greater risks. Claims of neutrality no longer offer protection from warlords, child soldiers, and terrorists and casualties among NGOs have escalated.”¹³⁷ In fact, in the 1990s, more International Committee of the Red Cross (ICRC) workers were killed on humanitarian missions than were US Army personnel.¹³⁸ Notwithstanding this, some NGOs still avoid awarding contracts to PMCs in order to protect their reputation, international credibility and concerns with blurring the lines between humanitarian and military actions. Yet others have no choice but to hire PMCs protective services.¹³⁹ NGOs looking to operate in some conflict ridden countries, Iraq and Rwanda serve as two recent examples, have to provide their own security. As author Mark Bradbury noted, “The business of providing humanitarian aid has become increasingly dangerous and without the security afforded to them by PMCs, NGOs would not get permission to enter and be active in a conflict zone. In virtually every part of the world, those providing aid to distressed populations have

¹³⁶ *Ibid.*, 59.

¹³⁷ Singer, *Should Humanitarians use Private Military Services?*, 16.

¹³⁸ Sean Greenaway and Andrew J. and Harris, *Humanitarian Security: Challenges and Responses* (Cambridge: Harvard University, 1998), 5.

¹³⁹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 66.

been robbed, beaten, raped, abducted and murdered.”¹⁴⁰ Consequently, NGOs such as the Red Cross today employ armed protection to its missions in Congo and Afghanistan, while other PMCs like Defence Systems Limited (DSL) offer humanitarian organizations armed protection in a variety of crisis ridden countries.¹⁴¹

Non-State Actors

Another class of present day PMC clientele are non-state actors. In *Servants of War*, Rolf Uessler offered, “Non-state actors who use violence - rebel groups, warlords, liberation movements, and so forth - are interested in obtaining weapons, getting advanced military training, receiving strategic advice, and learning to use modern war technology, especially with regard to intelligence methods.”¹⁴² Uessler would add that “Because of the controversial nature of many such groups, it’s usually only smaller PMCs that agree to work with them. In cases where more powerful interests are at play, however, the larger private contractors become increasingly willing to get involved.”¹⁴³ Yet, in *The Rise and Decline of the State*, author Martin Van Creveld explained that the current global market for PMCs is essentially unregulated lacking both formal controls and limits. So, the firms make the choice who to work for.¹⁴⁴ As such, PMCs have in the past and will continue in the future to elect to work for dangerous non-state actors.¹⁴⁵

¹⁴⁰ Mark Bradbury, *Aid Under Fire: Redefining Relief and Development Assistance in Unstable Situations* (London: Wilton Park, 1995)

¹⁴¹ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 66.

¹⁴² *Ibid.*, 62.

¹⁴³ *Ibid.*, 62.

¹⁴⁴ Martin Van Creveld, *The Rise and Decline of the State* (Cambridge: Cambridge University Press, 1999), 406.

Considering what PMCs are able to offer with respect to combat power, their availability provide non-state groups that were previously at a disadvantage in a state dominated system, with a new path to power.¹⁴⁶ For example, reports out of Mexico and Columbia suggest that drug cartels have hired private military companies to provide them with counterintelligence, electronic warfare assistance and sophisticated weaponry. In doing this, these organizations are able to limit the exposure of key personnel while leveraging the latest technology, much of which is superior to those of the public security forces.¹⁴⁷

Given the lack of current international legislation regarding the employment of PMCs, Singer offered that “The only situations where firms are even mildly limited from working for anti-state groups have been where the home state of the firm prevents this with strict domestic legislation.”¹⁴⁸ However, if PMCs do not like the controls over their contracts, they have the option of moving their operations. “This is what many believed when Executive Outcomes did in 1999. The firm dissolved when South African legislation became too difficult for contracting but a number of successor firms with new names have opened up in other states without strong regulation.”¹⁴⁹

¹⁴⁵ *Ibid.*, 406.

¹⁴⁶ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 180.

¹⁴⁷ *Ibid.*, 174.

¹⁴⁸ *Ibid.*, 180.

¹⁴⁹ *Ibid.*, 181.

Conclusion

Today, private military companies enjoy a broad and diverse clientele base. States, both the strong and the weak and failing, routinely call on PMCs to augment their capabilities. The private sector and international, regional and humanitarian organizations also rely on PMCs to provide security to their business ventures and operations in conflict zones and troubled areas. Even non-state actors such as rebel groups and drug cartels have sought out their expertise. In short, in the current global security environment, there is no shortage of customers. As Rosen noted, “The war on terror – combined with a near exponential increase in the globalization of free markets and the subsequent demand for security – will keep PMCs in business.”¹⁵⁰

Yet in spite of any favourable market conditions that the demand that these clientele’s demand create; PMCs face a number of challenges. Chapter 4 will address some of these as issues as they challenge the credibility of the private military industry. This chapter will highlight how issues such as the legal status of contractors, corruption, and command and control threaten the industry’s long term sustainability.

¹⁵⁰ Rosen, *Contract Warriors*, 202.

CHAPTER 4 – CHALLENGES WITH PMCs

Introduction

Although it has been some twenty years since Executive Outcomes entered the market place, private military companies are still characterized as an emerging industry. The private military industry is presently facing a number of challenges that are hindering any attempt to establish industry wide standards and business practices. In fact, the obstacles that plague PMCs have been well documented. From the infamous reports of prisoner in the Abu Ghraib prison scandal, to oversight deficiencies that have been linked to billions of dollars worth of overbilling, and the September 2007 Nisoor Square shooting of seventeen Iraqi civilians by a Blackwater security detail; the difficulties of the private military industry regularly play out in the media.

This chapter will examine some of the current challenges associated with the use of private military companies. While not exhaustive, the issues to be examined here will include: the ambiguity surrounding the legal status of contractors employed by states in war and conflict zones, the perception of industry wide corruption, the problems posed to military missions by the lack of command and control over private contractors, and concerns regarding human rights abuses. This chapter will conclude that unless positive corrective measures are taken to address these issues, they will threaten the industry's credibility and could jeopardize its long term sustainability.

Legal Status

One of the primary concerns surrounding the employment of private military contractors is the question regarding their legal status. "Present day international law stipulates that in an international armed conflict or occupation, only members of regular

armed forces and paramilitary groups that come under military command and meet certain criteria (carry their weapons openly, distinguish themselves from civilians, and generally obey the laws of war) qualify as combatants.”¹⁵¹ Further to this, the Geneva Conventions clearly characterize civilian contractors who accompany armed forces as non-combatants. Yet, present day contractor tasks often place civilians in situations where they are armed and may have to apply force.¹⁵² As such, they fall into a grey area. Rolf Uessler described this predicament when he stated, “New mercenaries are not combatants insofar as they are not part of combat troops and aren’t subject to the military chain of command. Neither, however, are they civilians since they are involved in the machinery of war, are employed by governments, and frequently carry arms.”¹⁵³

The concern raised by this situation is two-fold. First of all, the classification of private military contractors with respect to Article 4 of the Geneva Convention (as persons who accompany the armed forces without actually being members thereof) remains very much in doubt and as such presents some rather significant legal conundrums for states that elect to employ PMCs.¹⁵⁴ Keisha Ono highlighted one such concern when he noted that only civilians who meet the conditions of Article 4 retain the rights of being treated as prisoners of war if they were to be captured by enemy forces.”¹⁵⁵ In addition to this, contractor’s whose activities amount to combat operations

¹⁵¹ Jennifer K. Elsea, Moshe Schwartz and Kennon H. and Nakamura, *Private Security in Iraq: Background, Legal Status, and Other Issues* (Washington: Congressional Research Service, 2008), 17.

¹⁵² Marc Lindemann, *Civilian Contractors Under Military Law*, Vol. 37, 2007), 2.

¹⁵³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 170.

¹⁵⁴ Ono, *Post Conflict Reconstruction and the Private Security Company*, 6.

¹⁵⁵ *Ibid.*, 6.

become legitimate and lawful targets for enemy forces, and if captured, could potentially be prosecuted.¹⁵⁶ Considering this, states looking to employ PMCs must consider whether or not the benefits offered by PMCs outweigh the potential legal complications and risks.

The inability to determine the legal status of modern day military contractors also opens the door to problems surrounding the state's ability to effectively monitor a PMCs activity and ensure accountability. "State security officials and employees – police officers, soldiers, and others – are subject to strict regulations that determine to whom they are ultimately accountable. But that is not the case with PMCs and their personnel."¹⁵⁷ Accordingly, while the state can demand that PMCs operate according to international regulations and national laws, they have no mechanism to monitor these activities and guarantee a PMC's conduct. Consequently, even when cases of clear misconduct arise, the state's hand remains largely tied.¹⁵⁸ In short, this lack of oversight and accountability amounts to a virtual guarantee of immunity.¹⁵⁹

Financial Corruption

Concern regarding PMC corruption is a second area that continues to threaten the credibility and sustainability of the industry. In *Private Sector, Public Wars*, author James Jay Carafano succinctly summarized the concern here when he stated, "Complaints about contractors, particularly in wartime, has proved to be a common concern – and with

¹⁵⁶ Elsea, Schwartz and Nakamura, *Private Security in Iraq: Background, Legal Status, and Other Issues*, 17.

¹⁵⁷ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 168.

¹⁵⁸ *Ibid.*, 169.

¹⁵⁹ *Ibid.*, 169.

good reason – wars have a tendency to make people in the private sector rich.”¹⁶⁰ Today, these concerns are widespread. As of 2008, the US government had conducted more than 200 criminal investigations into contract fraud in Iraq and Kuwait.¹⁶¹ In one such investigation, former Pentagon acquisition chief Jacques Gansler “confirmed what had been suspected for a long time: lax government administration of war zone contracts created a climate of corruption, resulting in fraud, waste and abuse.”¹⁶² PMCs have been accused of manipulating their books, overcharging, accepting money for services never performed, and using non-transparent means to acquire contracts.¹⁶³ For example, Bunnatine Greenhouse, a former chief contracting officer for the Army Corps of Engineers who was responsible to verify the contracts between the Pentagon and PMCs testified to Congress that Halliburton’s relationship with the Pentagon was “the most blatant and improper contract abuse I have witnessed during the course of my professional career.”¹⁶⁴

In *Hold Them Accountable*, Amy Klamper offered a rather straightforward rationalization for present day concerns, “As demand for security services from private companies continues to grow, government oversight and regulation of these firms has

¹⁶⁰ Carafano, *Private Sector, Public Wars*, 26.

¹⁶¹ Cancian, *Contractors: The New Element of Military Force Structure*, 5.

¹⁶² Sandra Erwin, "For Contractors in War Zones, Business Will Keep Growing," *National Defense Industrial Association* 92, no. 649 (2007), 1.

¹⁶³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 79.

¹⁶⁴ *Ibid.*, 79.

failed to keep pace.”¹⁶⁵ Consequently, Klamper argued that the lack of oversight and accountability have helped pave the way for a multibillion dollar industry.¹⁶⁶

Command and Control

Another threat to the credibility and sustainability of PMCs is the concern surrounding the lack of military command and control over private contractors. Lieutenant Colonel Charles T. Kirchmaier, a member of the US Army Judge Advocate General branch, highlighted the key element of this issue noting that with the hundreds of thousands private contractors serving with or accompanying western armed forces in areas of operations around the globe, military commanders need to understand the scope of authority that may be exercised over private military contractors.¹⁶⁷ This matter is of critical importance given that the American experience with private military firms in Iraq has demonstrated that a failure to coordinate the actions of private military forces with military units, and to ensure proper control over their actions, can make private contractors strategic liabilities.

For example, Blackwater security teams in Iraq have on two separate occasions singlehandedly disrupted the Coalition’s prosecution of the war. The first, referred to in the opening of this paper, occurred in 2004 when four Blackwater contractors ignored military advice to the contrary and entered the city of Fallujah. These contractors were subsequently killed and outrage that was generated over the mutilation of their remains pushed American commanders to respond. Their subsequent decision to invade Fallujah

¹⁶⁵ Amy Klamper, "Hold them Accountable," *Sea Power* 50, no. 7 (2007), 2.

¹⁶⁶ *Ibid.*, 2.

¹⁶⁷ Charles T. Kirchmaier, "Command Authority Over Contractors Serving with Or Accompanying the Force," *The Army Lawyer* (2009), 2.

is today credited with having fuelled the Sunni insurgency.¹⁶⁸ The second event was the infamous September 2007 Nisoor Square shooting. Here, a Blackwater security detail killed 17 Iraqi civilians, enraging the population and adding months to the American efforts to negotiate a new status of forces agreement.¹⁶⁹

Both of these incidents highlight the concern that a contractor's mentality and motivation is significantly different than that of national armed forces. The contractor's motivation to "protect the principle at all costs" is often at cross purposes with the army.¹⁷⁰ In response to these incidents, coalition commanders argued that PMCs were interfering with their efforts to build credible relationships with the Iraqis.¹⁷¹ This concern was echoed by an Iraqi Interior Ministry official, who discussing the behaviour of PMCs, explained that Blackwater and its actions are part of the reason for the hatred of Americans. "Iraqis do not know them as Blackwater or other PSCs but only as Americans."¹⁷²

Human Rights Abuses

A fourth challenge to the credibility and sustainability of the private military industry are concerns regarding the trend amongst PMCs for human rights abuses. Alleged cases of human rights abuses amongst private military companies working for states have been well publicized. For example, the outrage expressed by the Iraqi

¹⁶⁸ Perry, *The Privatization of the Canadian Military: Afghanistan and Beyond*, 5.

¹⁶⁹ *Ibid.*, 5.

¹⁷⁰ Cancian, *Contractors: The New Element of Military Force Structure*, 3.

¹⁷¹ Elsea, Schwartz and Nakamura, *Private Security in Iraq: Background, Legal Status, and Other Issues*, 13.

¹⁷² *Ibid.*, 13.

population over repeated incidents involving Blackwater contractors eventually forced its government not to renew Blackwater's operating licence. What is more, the company was called before a congressional committee in the United States investigating allegations of PMC wrong doing.¹⁷³ The negative attention surrounding Blackwater eventually forced the company to change its name in an effort to distance itself from the controversy.

Another area of concern is PMCs employed by the private sector. In *Servants of War*, Rolf Uessler stated, "The private sector gives PMCs a considerably free hand in choosing the best means for advancing their economic and security interests. Cases of violence and disregard for human rights have become frequent and drastic enough that they have called forth protests."¹⁷⁴ Human rights abuses are of a particular concern in economic processing zones where it is not uncommon for the host state to relinquish security responsibility internal to the zone to the multinational corporations operating there. "Multinational corporations – unlike nongovernmental organizations - have no problem with the blurring of lines between economic, political, humanitarian and military activities in their dealings with PMCs."¹⁷⁵

Conclusion

As the private military industry continues to emerge, it is facing a number of challenges. As William Latham noted, "The shooting incident in Baghdad that killed seventeen Iraqis, and the ongoing difficulties in prosecuting the alleged perpetrators, merely reinforces perceptions at home and abroad that military contractors are out of

¹⁷³ Jeremy Scahill, *Blackwater - the Rise of the World's most Powerful Mercenary Army* (New York: Nation Books, 2007), 14.

¹⁷⁴ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 56.

¹⁷⁵ *Ibid.*, 57.

control.”¹⁷⁶ What is more, the widespread reports of rampant corruption and fraud, the potential for legal complications for states who employ armed contractors, problems that arise from a lack of command and control, as well as allegations of human rights abuses all serve to question the (Latham 20098)professionalism of private military companies. Unless these concerns are addressed, they will continue to threaten the industry’s credibility and could jeopardize its long term sustainability.

In *Private Sector, Public Wars*, James Carafano offered “What has traditionally kept contractors in line in the past, and what will likely safeguard sovereignty in the future, is the practice of good governance.”¹⁷⁷ Chapter 5 will consider the idea of industry governance as it looks at the future of the private military industry. Additionally, this chapter will also examine reasons why PMCs will continue to thrive as well as some emerging trends within the industry.

¹⁷⁶ Latham, *Noy My Job: Contracting and Professionalism in the U.S. Army*, 8.

¹⁷⁷ Carafano, *Private Sector, Public Wars*, 38.

CHAPTER 5 – FUTURE CONSIDERATIONS

Introduction

As the United States and its coalition partners continue to reduce their presence in Iraq and return the responsibility for security over to the country's indigenous forces; the future of the private military industry has been called into question. As Sandra Erwin commented, "The rush in contractor hiring for Iraq operations may lead casual observers to believe that once the war is over, business will dry up."¹⁷⁸ In fact, there are strong indications that not only will PMCs will continue to operate, but the industry will likely grow in the coming years. In *Corporate Warriors*, P.W. Singer offered, "The overall history of public versus private military actors indicates that the privatized military industry will continue to play a significant and increasing role in international security in the next decades. Moreover, it will likely do so for all measures of clients."¹⁷⁹

Chapter 5 will offer some ideas on the way ahead for the private military industry. First of all, this Chapter will identify a current rising concern surrounding the industry, specifically the impact of a current trend towards the creation of private military oligopolies. From here, it will consider the need for international and national legislation to be established. Finally, this chapter will outline some of the reasons why PMCs will continue to flourish in the market place. This chapter will conclude that private military companies will continue to play a critical role in the provision of security.

¹⁷⁸ Erwin, *For Contractors in War Zones, Business Will Keep Growing*, 2.

¹⁷⁹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 230.

New Developments in the Industry

One recent noteworthy development in the private military industry has been the consolidation of companies – a trend that has been referred to as oligopolization.¹⁸⁰ This development has been most notable in the past few years as the Coalition presence in Iraq continues to downsize. The private military industry is currently experiencing an industry wide restructuring as the larger firms, usually from the United States and the United Kingdom, absorbing the small and medium sized companies. Doug Brooks has suggested that acquisition of smaller companies, or the so called industry minnows, is a normal practice common throughout the business community to any industry that will ultimately lead to a leaner industry and increased efficiency.¹⁸¹

However, Keisha Ono has suggested that this recent industry consolidation is an area for concern. Ono has warned that consolidation will give the large PMCs a greater voice in the market, and consequently user countries and their militaries will no longer be able to ignore their wishes.¹⁸² In other words, the forming of Oligopolies could challenge the state's ability to determine security policy. In addition to this, the creation of oligopolies also gives rise to concerns that these firms may employ restrictive trade practices such as price fixing or restrict the entry of new competitors into the market. The current lack of legislation governing the private military industry serves to heighten this concern.

¹⁸⁰ Ono, *Post Conflict Reconstruction and the Private Security Company*, 8.

¹⁸¹ Brooks, *Messiahs Or Mercenaries? the Future of International Private Military Services*, 133.

¹⁸² Ono, *Post Conflict Reconstruction and the Private Security Company*, 8.

The Need for Industry Reform

One of the key priorities for the private military industry is the development and implementation of legislation. Anna Richards and Henry Smith noted “In order for the private security industry to be properly factored into state sanctioned security programmes, there needs to be an increase in democratic oversight and accountability of the entire sector.”¹⁸³ Richards and Smith would add “This can be achieved by formulating a comprehensive system of legislation and regulation for the private security industry, developing effective mechanisms for oversight, and encouraging a culture of professionalism.”¹⁸⁴ IPOA president, Doug Brooks echoed the need for effective legislation. “While the essential goal of legislating private military services is restrictive” explained Brooks, “legislation can also offer companies clear boundaries within which they can operate and effectively end any uncertainty regarding the credibility of the activities performed by the industry.”¹⁸⁵

Yet, with the exception of the 2008 Montreaux Document, international and domestic efforts to legislate reforms in the private military industry have been modest.¹⁸⁶ One explanation that has been offered for this slow response is that governments themselves do not want legislation established for the industry because it would create unwanted constraints on their employment. Notwithstanding this, Doug Brooks has

¹⁸³ Richards and Smith, *Addressing the Role of Private Security Companies within Security Sector Reform Programmes*, 11-12.

¹⁸⁴ *Ibid.*, 11-12.

¹⁸⁵ Brooks, *Messiahs Or Mercenaries? the Future of International Private Military Services*, 137.

¹⁸⁶ The Montreaux Document is the first international document to describe international law as it applies to the activities of private military companies whenever these are present in the context of an armed conflict. It also contains a compilation of good practices designed to assist states in implementing their obligations under international law through a series of national measures.

suggested that PMCs themselves are open to industry legislation believing that it will help to improve the credibility of the industry and bring in new clients. For example, NGOs could “utilize the services of PMCs without having to justify the moral position of whether the companies are mercenaries or not.”¹⁸⁷ What is more, effective legislation could also act as a barrier to less professional organizations.¹⁸⁸

In the absence of legislation, groups such as the International Peace Operations Association and the London based British Association of Private Security Contractors have been trying to implement self-imposed order within the industry. For example, the IPOA website states that the “IPOA is committed to raising the standards of the peace and stability operations industry to ensure sound and ethical professionalism and transparency in the conduct of peacekeeping and post-conflict reconstruction activities.”¹⁸⁹ What is more, PMCs looking to join the organization “. . . must pledge to follow a code of conduct and strictly adhere to all relevant international laws and protocols on human rights.”¹⁹⁰ While membership in this organization is at the discretion of individual PMCs and the IPOA itself has no legal means to enforce its standards, it is nonetheless a positive step in the right direction. In the absence of legislation, membership in these types of voluntary organizations may persuade a hesitant client to hire the services of a PMC.

¹⁸⁷ *Ibid.*, 137.

¹⁸⁸ *Ibid.*, 137.

¹⁸⁹ The Association of the Stability Operations Industry, "About IPOA," IPOA, <http://ipoaworld.org/eng/aboutipoa.html>

¹⁹⁰ *Ibid.*

Why PMCs will Continue to Operate

In spite of the concerns expressed in Chapter 4 and the conventional logic that suggests the PMC industry is set to suffer a decline as Coalition Forces reduce their presence in Iraq, a number of indicators suggest otherwise. To begin with, the security gap created at the end of the Cold War that originally led to the creation of PMCs still remains. As P.W. Singer observed, “The open military market is still flooded with weaponry, military capabilities outside the state continue to expand, and the demand from internal and external conflicts is not waning. Developing states capacities appear ever weaker and evidence suggests that military powers are reluctant to engage in an area unless it is of strategic importance.”¹⁹¹ In addition to this, Sandra Erwin, Editor of the *National Defence Magazine*, offered that the future demand for private military contractors will remain high as Western militaries face pressures to downsize following the Iraq War amid increasing deployments related to the war on Terror.¹⁹² In addition to this, the stand-up of the US DoD’s Africa Command has opened up a new market and new opportunities for PMCs who have already begun to pursue contract opportunities there.¹⁹³ According to an Industrial College of the Armed Forces (ICAF) report, “Africa may do for the privatized military operations industry in the next twenty years what Iraq

¹⁹¹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 231.

¹⁹² Erwin, *For Contractors in War Zones, Business Will Keep Growing*, 2.

¹⁹³ *Ibid.*, 2.

has done in the past four, provide a significant growth engine. The continent is beset with circumstances that create a vibrant market for privatized military operations.”¹⁹⁴

What is more, the evolution in the nature and conduct of war will also play a role in sustaining the private military industry. In spite of the problems that have been experienced in current operational theatres where military soldiers and private contractors are employed side-by-side, military commanders recognize that civilian contractors can act as a force multiplier.¹⁹⁵ As Marc Lindemann explained, “Contractors are capable of supplying immediate expertise and manpower much more rapidly than the military can grow subject matter experts.”¹⁹⁶ At a conference in Jordan in 2006, Blackwater USA Vice Chairman Cofer Black announced that his firm can “have a small, nimble brigade-size force ready to move into a troubled region on short notice.”¹⁹⁷

A third indicator that suggests the private military industry will continue to thrive in the market place is its current diversification in the commercial market. Traditionally, PMCs have been employed in third world countries where they have watched over diamond mines and oil fields or maintained security with free trade zones. Today expansion and diversification of the security business is introducing PMCs to new challenges, such as offering protection against terrorism and maritime piracy. Although maritime piracy is not new, what has changed recently is the nature of the attacks which are more organized and more violent while their number and frequency has increased

¹⁹⁴ *Ibid.*, 2.

¹⁹⁵ Lindemann, *Civilian Contractors Under Military Law*, 2.

¹⁹⁶ *Ibid.*, 2.

¹⁹⁷ *Ibid.*, 2.

dramatically.¹⁹⁸ One particular growing area of concern has been the Malacca Straits - one of the busiest maritime routes in the world.¹⁹⁹ Consequently, PMCs have been developing maritime capabilities to meet the needs of this emerging market. Britam Defence, a London based PMC, currently offers maritime counter-terrorism services, while the United States based Military Professional Resources Incorporated (MPRI) has formed a unit specializing in marine security.²⁰⁰

Lastly, another factor that will contribute to the continued presence of PMCs is the lack of capacity within international and regional organizations, particularly the United Nations, to deal with instability.²⁰¹ This situation has fuelled the present day lobbying effort to privatize peacekeeping. Referring to recent UN failed missions in Somalia and Rwanda, proponents of this approach argue that privatizing peacekeeping will increase the effectiveness and efficiency of operations. They believe that the private sector can react more quickly, provide better trained soldiers and equipment, and conduct operations much cheaper than the United Nations current model.²⁰² Doug Brooks, president of the IPOA, stated, “Hundreds of thousands of innocent civilians die every year in wars that could be stopped, if the West would deploy reliable peacekeeping troops. Private companies are preparing to meet this need, more transparently,

¹⁹⁸ Ortiz, *The Private Military Company: An Entity at the Center of Overlapping Spheres of Commercial Activity and Responsibility*, 63.

¹⁹⁹ *Ibid.*, 63.

²⁰⁰ *Ibid.*, 63.

²⁰¹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 231.

²⁰² *Ibid.*, 183.

responsibly and professionally than UN troops.”²⁰³ Lending support to this argument, the Toronto based Centre for International Studies and London based Overseas Development Institute have gone on record to recommend that NGOs consider privatizing security needs in the interests of humanitarian goals.²⁰⁴ This position has received an enthusiastic backing from the PMCs. Tim Spicer, founder and Chief Executive Officer (CEO) of the London based AEGIS security and risk management group, has suggested that PMCs could be commissioned on behalf organizations such as the United Nations could fit into the local command structure and work to a predetermined plan.²⁰⁵

James Jay Carafano may have described the future of the private military industry best, “Reliance on private sector assets in war is probably irreversible. Unlike the public sector, the private sector is bred for efficiency: Left to its own devices, it will always find a means to provide services faster, cheaper, and more efficient than will governments.”²⁰⁶

Conclusion

The future of the private military companies looks quite positive. In spite of new concerns surrounding the formation of industry oligopolies and the absence of effective international and national legislation governing the conduct of the industry, clients and new business opportunities continue to present themselves to PMCs. Today, new opportunities exist in Africa as well as in new and emerging fields such as maritime piracy. What is more, there is a growing call for PMCs to participate in peacekeeping operations on behalf of international on regional organizations. Yet most importantly,

²⁰³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 66.

²⁰⁴ *Ibid.*, 66.

²⁰⁵ Rosen, *Contract Warriors*, 2.

²⁰⁶ Carafano, *Private Sector, Public Wars*, 37.

PMCs will continue to flourish for “The simple reason is that the very same structural conditions that lead to the industry’s original growth still appear to be in place.”²⁰⁷

²⁰⁷ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 230.

CONCLUSION

The end of the Cold War was supposed to have marked the beginning of a new world order defined by peace and security. Yet ironically, the world has become less secure. What is more, due to the broad range of security clientele and their requirements, the diminished military capacity and in some cases political will, states can no longer be considered the sole guarantor of security. Private military companies play both an important and necessary role in the provision of security in the contemporary environment.

The presence of private soldiers in war zones and conflict areas should not come as a surprise. Throughout history, soldiers for hire have played a role in the provision of security. From Thutmose's first recorded use of contracted soldiers in the Battle of Megiddo in 1479 BCE until the present day, history demonstrates that states have traditionally relied on the services of private soldiers to augment their national armies. As P.W. Singer stated, "Our general assumption of warfare is that it is engaged in by public militaries, fighting for the common cause. This is an idealization. Throughout history the participants in war were often for - profit private entities loyal to no one government."²⁰⁸

Yet, modern private soldiers are a far cry from previous eras where private military activity usually meant unsavoury mercenaries.²⁰⁹ Today's private military companies are legally established, international commercial enterprises who offer

²⁰⁸ *Ibid.*, 19.

²⁰⁹ Global Security, "Mercenary/Private Military Companies (PMCs)," Global Security, <http://www.globalsecurity.org/military/world/para/mercenary.htm>

services that involve the application in the use of force.²¹⁰ PMCs began to appear in the market in the late 1980s. There was no one single definitive event that led PMCs, but rather the rise of the industry reflected the changes in the in twenty-first century security and business environments.²¹¹ The public pursuit of efficiency combined with the Cold War peace dividend and unexpected increase in regional conflicts helped to create the demand for PMC services. What is more, these conditions are still in place.

Today, private military companies enjoy a broad and diverse clientele base. While states, particularly Western governments, remain the industry's biggest client, PMCs are not limited to working for just governments. Clients include multinational corporations, international, regional and humanitarian organizations such as the United Nations and Red Cross and even non-state actors to include rebel groups and drug cartels.²¹² The demand created by this variety of clientele does not appear to be subsiding and as such will continue to call on the services of PMCs.

Yet in spite of this, private military companies are facing a number of challenges. Most importantly, the industry is shrouded in questions surrounding its professionalism. These questions stem from numerous widespread reports of criminal behaviour, rampant corruption and fraud, a lack of command and control, as well as allegations of human rights abuses. Unless these issues are addressed, they will continue to jeopardize the industry's credibility and long term sustainability.

²¹⁰ Ortiz, *The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry*, 35.

²¹¹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 49.

²¹² Singer, *Should Humanitarians use Private Military Services?*, 15.

The future of the private military companies looks quite positive. Although new concerns surrounding the formation of industry oligopolies and the absence of effective international and national legislation governing the conduct of the industry remain a stumbling block, clients and new business opportunities continue to present themselves to PMCs.

Areas for Future Study

In *Corporate Warriors*, Singer offered, “The emergence of this industry will affect international security in a number of critical ways.”²¹³ To begin with, “. . . PMCs challenge one of the most basic premises of the study of international security: that states possess a monopoly over the use of force . . .” and as such, “. . . outdated assumptions about the exclusive and permanent role of the state in the security sphere certainly require re-examination.”²¹⁴

Accordingly, one such area for future study could be civil-military relations theory; and more specifically, the notion that international military alliances and coalitions should allow for the potential inclusion of PMCs.²¹⁵ This field of study is relevant considering that PMCs generally operate in conflict and post conflict environments and the recent trend amongst developed armies to outsource battlefield tasks. With the strength of America's armed forces down 29%, to 1.5 million, since 1991, contractors have become a permanent part of the military machine.²¹⁶ What is

²¹³ *Ibid.*, 233.

²¹⁴ *Ibid.*, 233.

²¹⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 234.

²¹⁶ Erwin, *For Contractors in War Zones, Business Will Keep Growing*, 1.

more, some predict that not only is this trend here to stay but will actually get bigger.²¹⁷ The US army predicts that “the future battlefield will require ever increasing numbers of often critically important contractor employees.”²¹⁸

A second area of study here could be the impact of PMCs as an intervention force.²¹⁹ This area of study is particularly relevant given the current school of thought that a 21st century business solution to the world’s 21st century human security problems is needed.²²⁰ As Steven Schooner of George Washington University pointed out; when work is outsourced to PMCs, high-quality services can be provided with greater flexibility and in a shorter amount of time compared with the government, and if the government were to try and achieve the same flexibility, possibility, and speed, then the necessary expenses would exceed those of the private sector.²²¹ Although opposition to this concept remains within the overall humanitarian community; the absolute resistance among humanitarian groups towards PMCs has been breached and critical voices are becoming more isolated.²²² As such, PSCs hope to expand their business in the humanitarian sector.²²³

Additionally, concerns expressed by Ono regarding the danger of PMCs becoming media for proliferation of firearms and other hardware, as well as military

²¹⁷ *Ibid.*, 1.

²¹⁸ Lindemann, *Civilian Contractors Under Military Law*, 3.

²¹⁹ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 233.

²²⁰ Singer, *Should Humanitarians use Private Military Services?*, 16.

²²¹ Ono, *Post Conflict Reconstruction and the Private Security Company*, 7.

²²² Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 183.

²²³ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 66.

technology and operational ideas, suggest another area for future study.²²⁴ PMCs are playing an ever greater role in the sales of weapons and other military services in the deregulated global market. They often do this not directly but rather by way of subsidiaries so that it is difficult to tell exactly who was responsible for selling weapons or services.²²⁵ As such, studies into the role and impact of PMCs on arms proliferation could also be undertaken.

Closing Remark

The world order has undergone significant change in the last twenty years; change that today challenges the notion that, “One of the most standard conceptions of international security is that states are the central, and in fact, only truly relevant actors in world politics.”²²⁶ The rise of multinational corporations, international organizations and non-state actors in conjunction globalization has given rise to the situation where these groups are modern day actors in world politics – and by extension security. This, combined with a diminished capacity and will of states, has opened the door to a new security paradigm. Private military companies have filled this void and are today both an important and necessary actor in the provision of security.

²²⁴ Ono, *Post Conflict Reconstruction and the Private Security Company*, 6.

²²⁵ Uessler, *Servants of War - Private Military Corporations and the Profit of Conflict*, 63.

²²⁶ Singer, *Corporate Warriors: The Rise of the Privatized Military Industry*, 169.

Bibliography

- Addicott, Jeffrey F. "The Political Question - Doctrine and Civil Liability for Contracting Companies on the Battlefield." *The Review of Litigation* 28, no. 2 (2008).
- Alexander, Bevin. *How Great Generals Win*. New York: W.W. Norton & Company, 1993.
- Ante, Spencer E. and Stan & Crock. "The Other U.S. Military." *Business Week* (2004).
- Armstrong, Stephen. *War PLC - the Rise of the New Corporate Mercenary*. London: Faber & Faber Limited, 2008.
- Avant, D. D. . *The Market for Force. the Consequences for Privatizing Security*. Cambridge: Cambridge University Press, 2005.
- Bradbury, Mark. . *Aid Under Fire: Redefining Relief and Development Assistance in Unstable Situations*. London: Wilton Park, 1995.
- Brooks, Doug. "Messiahs Or Mercenaries? the Future of International Private Military Services." *International Peacekeeping* 7, no. 4 (2000): 129-144.
- Business Dictionary. "Export Processing Zone."
<http://www.businessdictionary.com/definition/export-processing-zone-EPZ.html>(2010).
- Cancian, Mark. . *Contractors: The New Element of Military Force Structure*. Vol. 38: Carlisle Barracks, 2008.
- Carafano, James Jay. *Private Sector, Public Wars*. Westport, CT: Praeger Security International, 2008.
- Delbruck, Hans. *History of the Art of War: Within the Framework of Political History*. Westport, Conn: Greenwood Press, 1975.
- Elsa, Jennifer K., Moshe Schwartz, and Kennon H. and Nakamura. . *Private Security in Iraq: Background, Legal Status, and Other Issues*. Washington: Congressional Research Service, 2008.
- Erwin, Sandra. "For Contractors in War Zones, Business Will Keep Growing." *National Defense Industrial Association* 92, no. 649 (2007): 8.
- Global Security. "Mercenary/Private Military Companies (PMCs)." Global Security.
<http://www.globalsecurity.org/military/world/para/mercenary.htm>.

- Greenaway, Sean and Andrew J. and Harris. . *Humanitarian Security: Challenges and Responses*. Cambridge: Harvard University, 1998.
- Griffith, G. T. *The Mercenaries of the Hellenistic World*. Groningen: Bouma's Boekhuis, 1968.
- Hood, Christopher. "The "New Public Management" in the 1980s: Variations on a Theme." *Accounting, Organizations and Society* 20, (1995): 93-109.
- Investor Words. "Peace Dividend."
<http://www.refworks.com/Refworks/mainframe.asp?tsmp=1271889005514>(2010).
- Kirchmaier, Charles T. "Command Authority Over Contractors Serving with Or Accompanying the Force." *The Army Lawyer* (2009).
- Klamper, Amy. "Hold them Accountable." *Sea Power* 50, no. 7 (2007): 14.
- Latham, William C. "Noy My Job: Contracting and Professionalism in the U.S. Army." *Military Review* 89, no. 2 (2009): 40.
- Lindemann, Marc. . *Civilian Contractors Under Military Law*. Vol. 37, 2007.
- Ono, Keishi. "Post Conflict Reconstruction and the Private Security Company." *The National Institute for Defense Studies News* (2008).
- Ortiz, Carlos. "The New Public Management of Security: The Contracting and Managerial State and the Private Military Industry." *Public Money & Management* (2010).
- . "The Private Military Company: An Entity at the Center of Overlapping Spheres of Commercial Activity and Responsibility." In *Private Military and Security Companies*, edited by Thomas Jager and Gerhard & Kummel, 55-68. Wiesbaden: VS Verlag, 2007.
- Perry, David. "Contractors in Kandahar, Eh? Canada's 'Real' Commitment to Afghanistan." *Journal of Military and Strategic Studies* 9, no. 4 (2007).
- . "The Privatization of the Canadian Military: Afghanistan and Beyond." *International Journal* 64, no. 3 (2009): 687.
- Peters, William C. "The State that Signed the Contract Felled a City - One Voice at the Intersection of Public War and Private Profit." *Social Justice* 34, no. 3/4 (2007).
- Pike, John. "Mercenary/Private Military Companies." Global Security.
<http://www.globalsecurity.org/military/world/para/mercenary.htm>(2010).

- Pint, Ellen M. and & Hart, Rachel. "Public-Private Partnerships." Rand. http://www.rand.org/natsec_area/products/partner.html.
- Richards, Anna and Henry & Smith. . *Addressing the Role of Private Security Companies within Security Sector Reform Programmes*. London: Saferworld, 2007.
- Rosen, Fred. *Contract Warriors*. New York: Penguin Group (USA) Inc., 2005.
- Rosenbloom, D. H. and D. S. and Kravchuk. . *Public Administration. Understanding Management, Politics and Law in the Public Sector*. 5th ed. New York: McGraw-Hill, 2002.
- Sandline International. "'Overview of the Company'." <http://www.sandline.com/site/index.html>.
- Scahill, Jeremy. *Blackwater - the Rise of the World's most Powerful Mercenary Army*. New York: Nation Books, 2007.
- Sheppard, Simon. "Foot Soldiers of the New World Order." *New Left Review* (1998), <http://www.globalpolicy.org/component/content/article/190-issues/39260.html>.
- Simons, Suzanne. *Master of War - Blackwater USA's Erik Prince and the Business of War*. New York: HarperCollins Publishers, 2009.
- Singer, Peter W. *Corporate Warriors: The Rise of the Privatized Military Industry*. Ithaca: Cornell University Press, 2003.
- . "Outsourcing the Fight." *Forbes* (2008).
- . "Should Humanitarians use Private Military Services?" *Humanitarian Affairs Review* (2005).
- . "Sure, He's Got Guns for Hire. but they'Re just Not Worth it." *Washington Post*, 2007.
- The Association of the Stability Operations Industry. "About IPOA." IPOA. <http://ipoaworld.org/eng/aboutipoa.html>.
- Uessler, Rolf. *Servants of War - Private Military Corporations and the Profit of Conflict*. Brooklyn: Soft Skull Press, 2008.
- Urban, William. *Bayonets for Hire: Mercenaries at War, 1550 - 1789*. London: Greenhill Books, 2007.
- Van Creveld, Martin. . *The Rise and Decline of the State*. Cambridge: Cambridge University Press, 1999.

Young Pelton, Robert. *Licensed to Kill - Hired Guns in the War on Terror*. New York: Three Rivers Press, 2006.