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Private Military Companies: The Good, the Bad, and the Skulduggery

JCSP 47

Exercise Solo Flight

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CANADIAN FORCES COLLEGE – COLLÈGE DES FORCES CANADIENNES

JCSP 47 – PCEMI 47
2020 – 2022

Exercise Solo Flight – Exercice Solo Flight

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Private Military Companies: The Good, the Bad, and the Skulduggery

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PRIVATE MILITARY COMPANIES: THE GOOD, THE BAD, AND THE SKULDUGGERY

Introduction

Managing a large and complex organization such as the Canadian Armed Forces (CAF) is challenging. Doing so in times of fiscal restraint adds another layer of complexity to the equation. Funding for salaries, benefits, medical, pensions, equipment, training, operations, and a plethora of other expenses make the Department of National Defence (DND) the largest department in the Canadian government. How to achieve the operational output demanded while staying on budget is the problem that every leader has had to contend with and it has forced governments to seek out different and creative ways of meeting objectives. Enter the private military company (PMC). The scope of work that a PMC can offer is surprisingly comprehensive and includes military airframes and Special Forces to engineering and logistics.¹ The conventional construct of a fighting force brandishing their national flag, and reputation, is changing and the PMC alternative is growing in popularity.² This can create serious problems that receive little attention unless a tragic incident occurs; some of these tragedies are examples of private military contractors partaking in operations that could be considered unethical or even illegal.³ That does not categorize all PMCs as operating in the wrong. Many militaries around the world use some form of PMCs to supplement their own force in order to bring in specific skill sets and to save resources.⁴ In fact, all militaries would struggle to keep up without the private sector. The crux of the issue is where the line is drawn in employing PMCs and to ensure that regardless of who is doing the work, there is a nation still ultimately responsible for the

¹ Valius Venckunas. *World's most powerful private air forces*. Aerotime Hub. 26 September 2020.

² P.W. Singer. (2001). *Corporate Warriors: The rise of the privatized military industry and its ramifications for international security*. International Security, 26(3), 186-220. p 189.

³ Ibid., p 196.

⁴ Daniel J. Odonohue. *Joint Publication 4-10 Operational Contract Support*, Report for the Chairman Joint Chiefs of Staff, March 2019. p 3.

outcomes. This paper will examine why a government would contract a PMC and the risks of doing so. This examination will be along ethical and pragmatic lines and look to expose the real vulnerabilities nations accept when choosing PMCs.

PMC in the Modern Era

Previously called mercenaries, PMCs have recently reimagined themselves as global corporations offering security services.⁵ While the more infamous companies such as Blackwater were involved in security and training missions, there were a host of other PMCs that provided engineering, logistical, and non-combat services.⁶ During the early 2000s, PMCs were expanding rapidly in an attempt to win government contracts in different operational theatres. In Iraq alone, the US government contracted out \$112 billion worth of services, or 20% of their budget over a five year span. After 2010, PMCs made up approximately 55% of the United States workforce in Iraq and Afghanistan.⁷ As the US moved closer to what they referred to as a “Total Force” (a combination of military and civilian staff), many PMCs profited; the US government paid the Halliburton subsidiary KBR over \$40 billion in less than 10 years.⁸ They became so integrated that political institutions demanded that military leaders include PMCs in their operations so that their contracted effects were a part of the overall campaign plan.⁹ Canada, while not close to the Americans in contracting dollars spent, did make use of PMCs in a number of ways. There were Canadian contractors who operated in Afghanistan freeing up soldiers to focus on combat

⁵ P.W. Singer. *Corporate Warriors: The rise of the privatized military industry and its ramifications for international security*. International Security, 26(3), 2001. p 191-92.

⁶ J. Pattison. *Outsourcing the responsibility to protect: humanitarian intervention and private military and security companies*. International Theory, 2(1), 2001. p 7.

⁷ M. Schwartz & J. Swain. *Department of Defence contractors in Afghanistan and Iraq: background and analysis specialist in defence acquisition research associate*. Congressional Research Service, 7-5700. p 2.

⁸ A. Young. *And the winner for the most Iraq war contracts is . . . KBR, with \$39.5 billion in a decade*. International Business Times. March 2013.

⁹ United States Department of Defense. Quadrennial defence review report, 2006. p 81.

operations. Focused on service support and engineering activities, the Canadian firm SNC-Lavalin PAE created the Canadian Forces Contractor Augmentation Program (CANCAP).¹⁰ Canada also utilized American contractors and used the Acquisition and Cross Servicing Agreement (ACSA) to repay the US for services rendered.¹¹

The Case for Going Private

When it comes to resources, militaries are notorious for always needing more. The burden they place on a nation's budget must be managed so that the defence effects are achieved but the expenses are manageable. The speed and cost of military technology increases the potential for budgetary overruns as new technologies or new generations of weaponry are introduced. The price of these systems is always extraordinary and can be a source of political friction. The F35 fighter jet is a recent example of said friction, primarily because of how expensive it is:

*The F-35's price per unit, including ancillary costs like depot maintenance, ground support equipment, and spare parts is \$110.3 million per F-35A, \$135.8 million per F-35B, and \$117.3 million per F-35C. Those totals do not include the nearly \$1.3 trillion in life cycle costs to operate and sustain the aircraft over its 66-year life cycle, making it the most expensive weapons system in U.S. history.*¹²

For Canada, the DND employs thousands with a budget that is forecasted to hit \$32 billion by 2027; an increase from the current budget of \$20 billion.¹³ With the crisis in the

¹⁰ A. Fenton. *Canada's Halliburton? SNC-Lavalin war profiteering in Iraq, Afghanistan*. Rabble News, 17 September 2009.

¹¹ V. Nwafor. *Small-Scale Operations Logistics Support*. Army Sustainment, 46(4), 36-37, 2014.

¹² Center for Arms Control and Non-Proliferation. *F35 Fact Sheet*. July 2021. p 2.

¹³ Amanda Connolly. *Canadian military budget will grow by \$8B as policy review seeks to reset defence vision*. Global News, 7 April 2022.

Ukraine and China's continued aggression on the Pacific region, there is little sign that the current pressure on Canada to meet its NATO obligation of 2% GDP defence spending will subside. Of note, should the DND budget increase to \$32 billion, the country would still be under the 2% target. Defence spending has always been an issue in Canada and in particular the CAF were badly underfunded in 2003 when they entered Afghanistan.¹⁴

Equipment is not the only expense for a modern military, soldiers are also expensive. When pay, medical, benefits, and other costs are considered, the amount increases substantially. As of 2012, one deployed American service member cost between \$850,000 and \$1.4 million a year.¹⁵ There is also the expense of personnel once they leave the military. Veteran Affairs Canada's (VAC) 2022 budget is \$6.2 billion with the bulk of money going to veteran programs. The below graph shows VAC's past budgets and future projections.¹⁶



¹⁴ D. Bercuson & J.L. Granatstein. *Lessons learned? What Canada should learn from Afghanistan*. Canadian Defence & Foreign Affairs Institute October, 2011. p 3.

¹⁵ Mark Thompson. *The Nearly \$1 Million-a-Year Soldier*. Time.com. 29 February 2012.

¹⁶ Veterans Affairs Canada. <https://www.veterans.gc.ca/eng/about-vac/news-media/facts-figures/2-0>

In addition to the cost of treasure, there is an even greater incentive for governments to use PMCs, the cost in blood. The political pressure to reduce battle field casualties is enormous and politicians are more than aware of the problems associated with mounting deaths. In addition to the \$1.6 trillion the United States spent fighting wars in Afghanistan and Iraq, there were also over 7000 dead Americans.¹⁷ Afghanistan in comparison cost Canada close to \$20 billion and 158 lives and represented the most violent and deadly Canadian combat mission since the Korean War in the 1950s.¹⁸

The price tag increases considerably after one adds the number of veterans who die by suicide long after the conflict has ended, as well as soldiers dealing with physical and mental injuries. With Afghanistan, many Canadians grew wary of the mission as the years passed and an increasing number of soldiers came home either killed or severely wounded, all for a threat that did not seem particularly close and a mission that had no clear path to victory. As Singer noted before the wars in Afghanistan and Iraq began, the public will not tolerate long drawn out conflicts when the threat is not directly against their nation. The costs are too high and the appetite to send their loved ones to a foreign land too little.¹⁹ It's a dilemma for governments; fulfill their obligations to the international community, while simultaneously reducing the number of injured and killed military personnel. The quandary of military participation without sacrificing significant blood and treasure creates an opening for the PMC.

A private military force with significant capabilities at a fraction of the cost and with little attention paid to casualties, PMCs seem like an ideal solution. And while they are also

¹⁷ A. Belasco. *The cost of Iraq, Afghanistan, and other global war on terror operations since 9/11*. U.S. Congressional Research Service, 2014. p 1.

¹⁸ Open Canada. *Afghanistan in Review: Looking back at Canada's longest war*.

¹⁹ P.W. Singer. *Corporate Warriors: The rise of the privatized military industry and its ramifications for international security*. International Security, 26(3), 2001. p 194.

expensive, it is only during the actual contractual period. There are no additional costs once the contract ends, which means no pension, medical, or additional benefits to cover in the subsequent years. Furthermore, PMCs pay for a litany of other expenses such as recruitment and training.²⁰ The training conducted prior to a single deployment would typically cost a military millions of dollars and take years to plan, and the more complex and dangerous the mission, the greater the training bill. So by comparison, PMCs offer an economical solution to the aforementioned problems from both a fiscal and political perspective. But if contracting military services out to the private sector is money well spent, what's the downside?

Ethical Considerations

During the Iraq war, Blackwater was involved in an incident that resulted in the death of 16 Iraqi civilians.²¹ Known as the Nisour Square massacre, the US contracted PMC faced significant criticism over its conduct and the US government was admonished for its role in contracting the company without providing any meaningful code of conduct. The unethical conduct of the Blackwater employees brought to light the dark side of military contracts and the issue of accountability.²² Governments have used PMCs to conduct risky operations without the accountability associated with a national military. PMCs can also undermine democratic accountability by circumventing parliamentary constraints on the use of force and reducing the political oversight on a military campaign. And when problems arise, the international law

²⁰ D. Mayer. *Peaceful warriors: Private military security companies and the quest for stable societies*. Journal of Business Ethics 89, (2010) 387–401. p 393.

²¹ David Johnston, John M. Broder. *F.B.I. Says Guards Killed 14 Iraqis Without Cause*. The New York Times. 14 November 2007.

²² D. Mayer. *Peaceful warriors: Private military security companies and the quest for stable societies*. Journal of Business Ethics 89. 2010. p 390.

dealing with PMCs can be murky.²³ Some of the men involved in the Nisour Square massacre were charged and sentenced to prison time upon return to the United States only to be pardoned by then President Donald Trump, leaving many to ask, what about justice for the murdered Iraqi civilians?²⁴

In addition to the above example, another prevalent concern with PMCs has to do with the ethical treatment of workers, many of whom toil away in unskilled labour jobs. PMCs are international corporations that hire globally, often from developing nations where wages are significantly reduced by comparison to western standards. With an infinite supply of human capital to draw from, the competition for these positions is fierce causing wages to remain low and benefits to be limited. These workers have little to no recourse against employer abuse and many nations that hire PMCs pay little attention to the problem, they are only concerned with the contracted output. Working conditions can be treacherous but little is done to reduce accident and deaths, of which there have been hundreds.²⁵ Adding to the dilemma is the fact that these contracts are carried out in a foreign land and are out of sight of the national media; it was a recipe for exploitation and the abuse was rampant.²⁶

Reports of such abuse included:

- the confiscation of passports to ensure workers could not flee;²⁷

²³ J. Pattison. *Deeper objections to the privatisation of military force*. The Journal of Political Philosophy, 18(4), 425–447, 2010. p 426.

²⁴ M. Safi. *Trump pardons Blackwater contractors jailed for massacre of Iraq civilians*. The Guardian, December 2020.

²⁵ Contractor Casualties. Retrieved from: <http://icasualties.org/Iraq/Contractors.aspx>

²⁶ M. Eichler. *Citizenship and the contracting out of military work: from national conscription to globalized recruitment*. Citizenship Studies, 18:6-7, 600-614, 2014. p 609.

²⁷ M. Eichler. *Citizenship and the contracting out of military work: from national conscription to globalized recruitment*. Citizenship Studies, 18:6-7, 600-614, 2014. p 609.

- no benefits package for workers killed or injured on the job;²⁸ and
- multiple layers of sub-contractors to shield the corporations from reprimand.²⁹

This is in essence a form of modern day slavery that is occurring right under the nose of the first world. The poorest and most desperate people are being exploited, paid for by taxpayers who are completely ignorant of the situation. As PMCs compete for contracts they are consistently looking to save on costs in order to maintain a competitive edge. One contractor stated that an American worker in Iraq would cost upwards of \$30,000 a month all costs included, but a worker from an impoverished nation would be less than \$1000 a month. With margins that large, it's little wonder why so many workers from the third world are hired.³⁰

The 2008 Montreux Document was meant to address these problems and sought to be a bible for the use of PMC. Seventeen nations, including Canada and the United States, agreed to the principles of the document. They included a confirmation that humanitarian law was paramount in conflict zones by all parties engaged; that international law must govern PMCs and the nations that contract them; and it laid out 73 “good practises” that identified a code of conduct, international standards, and a foundation for further regulation of PMCs. Unfortunately no nation was legally bound by the Montreux Document and there was little progress made on the problem of exploitation.³¹

²⁸ M. Eichler. *Citizenship and the contracting out of military work: from national conscription to globalized recruitment*. Citizenship Studies, 18:6-7, 600-614, 2014. p 605.

²⁹ M. Eichler. *Citizenship and the contracting out of military work: from national conscription to globalized recruitment*. Citizenship Studies, 18:6-7, 600-614, 2014. p 610.

³⁰ Evaluation of CANCAP (2006). Retrieved from:
http://publications.gc.ca/collections/collection_2016/mdn-dnd/D58-146-2006-eng.pdf A

³¹ James Cockayne. “Regulating Private Military and Security Companies: The Content, Negotiation, Weaknesses and Promise of the Montreux Document.” Journal of Conflict & Security Law 13, no. 3 (2008): 401–28. pp 403-404. p 427.

Pragmatic Considerations

What does the public expect of its military? This is an important question that requires much debate and education. A military is but a series of capabilities at the ready should a situation arise that is deemed a national emergency. The CAF, being a relatively small military, needs to be practical about which capabilities are deemed essential. The issue with PMCs is that they become the 'easy button' for capability gaps and a military incrementally loses the expertise and equipment to undertake tasks after they have been contracted to the private sector. But PMCs may not always be the preferred option, and in some situations may not be an option at all.

In Afghanistan, transport services were a combination of contracted and military truckers. The Taliban, seeing an opportunity, started attacking the locally hired drivers that were moving supplies in the region.³² Afghan and Pakistani drivers were pulled from vehicles and beheaded on the road. Once these attacks became widespread, drivers started refusing to go to certain areas and the military was used to cover the deltas.

Typically, civilian contractors are lured into combat zones through high wages in comparison to what they could make elsewhere. But combat zones can deteriorate quickly and conditions could prove to be so hostile and dangerous that no amount of money can compensate. Take a scenario involving a chemical or nuclear attack. The amount of compensation needed to tempt a civilian into such a place may not exist and the task would then fall to the uniformed member. But if a capability has been divested to the private sector then there is a time lag from when the capability is required, to when a military can have personnel and equipment ready to accomplish the task. Therefore, as aforementioned, militaries need to be wary as to what

³² Kathy Gannon. *Low pay, big risks for fuel haulers in Afghan war*. The Associated Press. 26 February 2011.

capabilities they decide are better suited to the private sector because it may come back to bite them.

In Canada our leadership during the 1990s, in an attempt to reduce costs, started divesting certain capabilities that they would later come to realize were crucial to operations. Canadian Chinook helicopters were sold to the Dutch only for Canada to scramble in order to obtain the same platform 10 years later in Afghanistan.³³ The same story can be told of the Canadian Armies decision to divest its tanks, only to purchase Leopard tanks from the Germans when wheeled vehicles were being destroyed by Taliban improvised explosive devises (IED).³⁴

Conclusion

In this current neo-liberal era, globalization has become firmly entrenched into most societies. Capital and labour are more fluid now than at any other time in history. PMCs are using this to their advantage to offer governments a cheaper alternative to the uniformed soldier wearing a national flag. This has been a game changer in many areas, especially in the non-combat arms support needs of a mission. It has allowed governments to meet their obligations while saving money and reducing the stress on the military. It has also expanded the scope of work that PMCs can accomplish, making them more versatile and profitable. There is a catch however. These companies have been guilty of a number of abuses that range from worker exploitation to illegal activities. When a PMC acts in a dishonourable way, it destroys the credibility of the mission, and because there is no nation to point to for reparations, the

³³ David Pugliese. *Former Canadian Chinook helicopters continue as workhorses of Dutch air force*. Ottawa Citizen, 10 September 2017.

³⁴ CBC News. *Canadian Forces to refresh aging fleet of tanks*. 12 April 2007.

accountability for misdeeds can go unpunished. Further to that, some contractors have gotten away with actual murder.

From a pragmatic perspective, PMCs have the potential to erode away at the force capabilities leaving gaps that cannot be quickly addressed should the military be required to step in. This is an issue that needs to be addressed in a national debate so that public has a firm grasp as to what the military can accomplish, and the military understands what is expected of them. If all parties can agree on an achievable goal, PMCs can be implemented into the equation as they too would have stability to plan for future operations.

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