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MARGARITA MATHIOPOULOS

## PMC's and PSC's in the Global Military Bazaar

### Introduction

The issues of privatization of warfare and outsourcing of military responsibilities and activities to private military companies (PMC's) and private security companies (PSC's) are topics of tremendous importance as we examine both the shape of current conflicts and what the Western way of war may look like in the future. The privatizations of more and more military responsibilities, from intelligence and logistic support to direct involvement in combat related activities such as bodyguard duties and convoy protection, are ones that have, to date, attracted little public attention and surprisingly little discussion within the security community itself. But this is too important a trend for it not to be subject to a more thorough and complete analysis of the impact this growing phenomenon is having on the ability of Western states to wage war, and operations short of war, including peacekeeping, peacemaking and nation building tasks. It is past time for the so far limited discussion on these issues to receive wider attention from decision makers, opinion formers and the general public.

### The Implications of Privatization

The implications that are surfacing as a result of the increased tendencies of Western military establishments to privatize many aspects of warfare and military operations are profound. Recent scandals in Iraq and Afghanistan have thrown unaccustomed light on an explosive trend: the growing use by Western governments, military establishments and private companies active in conflict zones of private military contractors in a host of roles that have long been the traditional provenance of armies. The use of such firms allows governments to accomplish public ends through private means, with the seemingly additional advantage that such activities can take place without much oversight by legislatures or even the press. This lack of scrutiny may be expedient, even extremely useful, but whether or not it is efficient, cost-effective or good for democracy is much more open to question.

It may well be the case that the privatization of certain tasks which have traditionally been carried out by the armed forces can benefit everyone involved,

the PMC's, the governments that employ them, overstretched military establishments, some of whose responsibilities the PMC's and PSC's are shouldering, the taxpayers who pay for their services and even, in the case of non-combat related activities, the local recipients of their services. But these benefits only accrue if the outsourcing of what have customarily been military activities is undertaken in a thoughtful and systematic fashion. Privatizing military tasks is not like the privatization of a phone company or a failing publicly owned industrial plant. Different criteria, ones that are sensitive not only to economic or personnel considerations but which also take account of the national security implications that are inherent in some of these decisions, must be applied. The political, military and economic calculations that are involved in making any particular decision on the privatization or the outsourcing of military responsibilities cannot and should not be a question of simply how many euros or dollars can be saved or what armed services personnel and equipment can be cut or redeployed. The process should also focus on the ability of the state and its armed services to conduct the types of military operations they consider most effective against a putative foe, not the ones that the outsourcing of military capabilities may force them to engage in because they no longer possess fully capable armed forces. It is just these types of overarching national security considerations that have so far been missing from the privatization and outsourcing process. But they are ones that must be fully addressed if this process is going to continue and if it is to be implemented in the correct manner.<sup>1</sup>

All too often, the tales of combat, profit, greed, sacrifice, heroism and honour that emerge from the often hyperbolic press coverage of private military contractors read like something out of a Tom Clancy novel, a Hollywood movie or a James Bond screenplay. When some of these wild tales may be true, they obscure the fact that the reality of PMC's and PSC's is not the stuff of traditional mercenaries, freelance adventurers or a new breed of soldiers of fortune. Instead, if we look beyond the surface hype and bravado, we find that the true story is one of billion dollar, trans-national corporations chasing multi-million dollar contracts, as part of a well-honed strategy to build franchises whose value will outlast any particular conflict or emergency.

There is an extremely chequered history to the privatization and outsourcing that has occurred in other areas where government has attempted to devolve its

<sup>1</sup> D.D. Avant, *The Market for Force: The Consequences of Privatizing Security*, Cambridge University Press, 2005, pp. 57-70.

traditional responsibilities onto the private sector. It seems only reasonable, not to say logical therefore, to begin any examination of issues such as private military companies being engaged with intelligence gathering and analysis, weapons maintenance, combat engineering responsibilities and many of the other traditional core tasks of the armed forces, including combat itself, from a position of profound scepticism about what the tangible advantages and benefits that are going to accrue from such a privatization process are, and make a critical assessment as to whether or not they might outweigh the potential disadvantages.

### The Lessons of History

In looking at all of these issues, some historical perspective may prove to be a useful starting point. The role and history of mercenaries in warfare is well known. From Xenophon's 10,000 and the auxiliaries of Rome's legions to the Condottieri of Renaissance Italy and the Landsknechts of the Thirty Years' War, the armies of Britain's East India Company, the Hessians of the American Revolution and the Dogs of War of post-colonial Africa, mercenaries seem to have always played some role in nearly every war that humans have fought. It was understood, however, that the expectations an employer could have for the mercenary troops in their service were limited. They might fight hard, but preservation of the combat strength of a mercenary unit was more important than achieving a costly victory for their employer. So the commitment one could expect from mercenaries was never going to be unconditional. And because they fought only for pay and plunder, any failure to meet the full provisions of their contract could lead to a refusal to fight, or worse, a willingness to change sides if the prospects on the other side of the hill looked greener.

Because of these realities, and because even an employer who met the demands of his mercenary troops often found themselves trapped in an upward spiral of ever escalating demands and requirements from a rapacious mercenary leader or his unruly troops, as national consciousness and patriotism grew in the modern age, so too did the idea of a soldier who fought only for pay, not out of patriotism or ideological commitment, begin to take on pejorative connotations. But it was only after their bloody behaviour in Africa's internecine strife during the 1960's and 1970's that the term 'mercenary' finally lost any of the positive resonance it may once have enjoyed.<sup>2</sup>

<sup>2</sup> See: M.L. Lanning, *Mercenaries: Soldiers of Fortune, from Ancient Greece to Today's Private Military Companies*, Presidio Press, 2005.















aspects of sovereign states, including the use of large scale military forces in both defensive and offensive operations, face less public scrutiny and oversight, and are subject to fewer regulations, than the food and beverage industries. This is hardly an acceptable or sustainable situation. Indeed, questions remain whether effective control, similar to the oversight that the military faces from legislature and the rules of engagement that armed services operate under in conflict zones, can ever be imposed on PMC's and PSC's, because these types of restrictions are frequently contrary to the very idea of how a private business should be allowed to operate. Such a situation leads to a serious democracy deficit, because private corporations, with or without the sanctions of a government, are now in a position to undertake military actions without any legislative oversight or public knowledge about their activities. The implications for foreign and security policies of states from such a development are likely to be both significant and far-reaching.

We now face a situation where officially sanctioned non-state actors, whose financial and personnel resources outstrip the capacities of many nations, have the right to maintain what are in effect armed forces and deploy them without aggressive oversight from any state, including the country where they may be notionally headquartered. We therefore are faced with a situation where the most critical executive pillar of state authority, the monopoly on the use of military force, now has a private twin that is not subject to the same external restraints, public opinion, open government and freedom of information policies. Nor do PMC's face an aggressive media industry, because it continues to prefer to focus the majority of its efforts on investigative reporting on governmental, not corporate, activities. These are potentially very destabilizing developments whose long-term value remains dubious and open to debate and whose emergence can hardly be seen as a good or healthy sign for democracy and accountability. We need to ask how credible do Western democratic nations look to the rest of the world they attempt to introduce democracy into as well as other regions on the point of a bayonet wielded by private military forces who work in a legal, and to some extent moral vacuum. It is a contradiction that goes to the heart of democratic values and the rule of law.

It is open to question whether PMC's and PSC's, whatever value and expediency there may be in their short-term employment to help prosecute an unpopular war, can serve a long-term constructive role in a democratic society. It is this assessment, one that takes account of the potential damage to the democratic accountability that we routinely expect from those who wield military power in

the name of Western nations and their values, that we need to examine to get a true sense of all of the implications inherent in the growing reliance that Western governments and armed forces are placing on PMC's and PSC's. It needs to be recognized and clearly understood that there are a number of disadvantages and inherent limitations that are involved in employing PMC's and PSC's. Foremost amongst these drawbacks is the almost total lack of accountability that is associated with their operations and the behaviour of their employees. The shortcomings of international law with regard to the status and activities of PMC's have already been detailed. The domestic laws in major Western states also offer only incomplete and relatively easily circumventable rules and regulations to govern the activities of PMC's operating overseas. The only real sanction available to governments does not come from their statutory authority as a state, but rather from their role as the employer of a military contractor and the ability they have in that role to cancel contracts and perhaps invoke penalty clauses that impact the PMC's bottom line. But perhaps this power is more valuable than it appears at first blush, because as corporate entities, PMC's are only in business to make profits. Anything that compromises their ability to meet financial targets is more likely than anything else to get their attention and compel their compliance with their government employer's wishes. The problem lies in galvanizing governments into action against prominent corporate entities, many of whom spend a great deal of money lobbying both governments and legislatures to ensure that imposing sanctions on them can only occur with a heavy political price being paid by their opponents.

How then can greater transparency, accountability and oversight be imposed on PMC's that continue to prefer to operate in the shadows, even when employing thousands of staff to fulfil contracts worth hundreds of millions of dollars? The task is not made any easier by the fact that PMC's usually operate in distant countries, where communications are sketchy, and the local press, which in the West is the most usual source of surveillance, is often weak and subject to both formal controls and informal intimidation. Western reporters attempting to monitor the activities of PMC's in conflict zones have also routinely been denied access to company sites and personnel, and unlike with the military, where such denials can be appealed to both politicians and public opinion to force more openness, private companies have a perfect right to deny such access. Traditionally, in such situations, the press and public rely on staff and employees of the corporation concerned to either come forward publicly to express concerns about what they view as shoddy services being provided by their employer or outright illegalities that they have either taken part in,





