

# Private Military Companies: An Efficient Way of Meeting the Demand for Security?

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NIKOLA ZADZOROVA, SEP 20 2015

### Are Private Military Companies (PMCs) an Efficient Way of Meeting the Market Demand for Security?

Efficiency has become a ubiquitous phenomenon in today's world. Individuals, states, international organizations as well as privately-owned companies are attempting to achieve the best outcomes possible without mispending of their time or money. This reality has also been extended to the area of providing for security where costs and expected outcomes are taken into consideration as never before. As a result, there has been a space created for international companies which, as stressed by Murtisama and Setyawan, "widen their operations and have become active in security sector – known as Private Military Companies (PMCs) and Private Security Companies (PSCs)."[1] A common denominator for both of them, which has been in rather general manner identified by Brooks, is that they "provide military services and generally operate in regions or countries experiencing armed conflict." [2] Although this characteristic is relatively broad, it allows identifying of a focus of both private companies, without going into details, which have been a centre of the wider international debate.

Despite the fact that there is a growing body of the literature that deals with PMCs and PSCs, a persistent debate can be identified, regarding the use of terms when referring to activities of these companies. The terms PMCs and PSCs are seemed to be used without any rule, which can be demonstrated by several examples. Leander in her article intentionally decided to use the term PMCs even when referring to activities of PSCs.[3] On the contrary, Avant in her book uses the term PSCs, when discussing both types of companies.[4] Despite the fact that there is an apparent confusion about the using of the terms, a distinction between PMCs and PSCs should be specified. It has been commonly assumed that the contrast lies in participation of the personnel in fighting per se, in which individuals from PSCs, unlike forces from PMCs, do not take part.[5] In this essay, while taking into consideration the existing distinction between the two, the acronym PMC will be used to cover both types of private companies.

Investigating of efficiency of PMCs is a continuing concern which is an important component of the discourse that has developed around them. Colonel Thomas X. Hammes, retired US Marine, when discussing PMCs stated that "the wartime is not about efficiency, but about effectiveness, and contracting is about the most efficient way rather than the most effective way." [6] Whilst this statement supports the argument of efficiency of PMCs, it simultaneously challenges their ability to produce desired outcomes, and hence highlights scepticism that PMCs has been evoking. A condemnation of PMCs is widespread. For many international actors, PMCs do not represent more than a mercenary force, or individuals with disputed position, rights and punishment for crimes committed during conflicts.[7] In addition, various scandals such as the 2007 Blackwater's shooting in Baghdad, killing over dozen of innocent Iraqis, obviously did not shed a good light on PMCs and their overall perception.[8] Despite the criticism and contested opinions on PMCs, this essay argues that particular examples have proven that PMCs are an efficient way of meeting the demand for security, and in some cases since they were the only option, their efficiency cannot be disputed. This essay will engage with the issue of efficiency by examining time, costs and skills, which will demonstrate superiority of PMCs in relation to state or the UN forces. The essay is composed of three parts, including introduction and conclusion. In the following part, PMCs as efficient security providers are analyzed, starting with a short historical overview, which is followed by time, costs and skills analysis, and a review of role of PMCs as potential saviours. The final part concludes.

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## PMCs – Efficient Security Providers

Efficiency of purchasing services has been recognized for a long period of time. It was yet in the first half of the 20<sup>th</sup> century, when the discussion evolved within business entities around preference to purchase certain services externally as they found it more beneficial than carrying them out by themselves.[9] As the global system started to progress and economic development reached unprecedented levels, the economic strategies and counting of the costs and benefits was extended into the previously untouched area of security, which in a similar way as other companies started to be possessed not only by states, but also by individuals.[10] Since the early 1990s, as it was previously mentioned, PMCs have become employed to a greater extent, and the era, when security or even military force could be easily bought as any other service, has begun. Simultaneously, it represented a revolution, since security services, and the participation in warfare in particular, used to be exclusively the domain of states.[11] Thus, instead of mere soldiers from armies of states, more personnel from PMCs have been observed in conflict areas. Their employment has been ordered by various international actors, among which have been “legitimate sovereign states, respected multinational corporations, and humanitarian non-governmental organizations.”[12] The diverse group of clients these actors form have chosen to pay for PMCs’ services, and as a number of their contracts started to rise, the discourse about their efficiency has developed. The essay in the following paragraphs analyzes three factors – time, skills and costs, which will demonstrate that PMCs have proven to be efficient, and in some cases since they were the only option left, their efficiency cannot be disputed.

### *Time*

Since the-post Cold War environment has been dominated by the intra-state violence and a need to respond to it has come from outside the countries where the violence erupted, time has become one of the defining factor for the success of the state or the United Nations (UN)-led missions, which occur as a response to it. As it was on various past examples observed, the time per se plays a significant role in halting of violence since just days or weeks may mean for external actors inability to take control over the situation as well as a substantial increase in a number of casualties. While this fact has been widely recognized, it has not been successfully turned into reality as the UN itself has admitted that three months, within which a peace mission should be launched, does not exist in practice.[13] Responding to this phenomenon, Spearin in his article revealed that PMCs were yet during the 1990s and the 2000s able to be much faster deployed since “the Standby High-Readiness Debate’s (SHRIBRIG) engagement time was 15-30 days, and Executive Outcomes (EO) started its operations within a month of signing its contract with Angola in 1993 and similarly in Sierra Leone in 1995.”[14] Hence, it can be argued that PMCs were able to intervene three to six times faster than the UN’s target, which makes them more capable of ceasing hostilities in ripe time.

Another element that should be considered in relation to time is a preparedness of the force for the action. The evidence of a full preparedness for the action can be clearly seen on the case of EO in Sierra Leone which in the mid-1990s came to the country fully equipped with advanced facilities, ranging from “helicopters, Boeing 727s to transport troops and supplies, to oxygen bombs.”[15] Contrary to this ideally prepared military unit, the UN, yet five years later, was still complaining about forces that member states often sent to missions, lacking fundamentals such as clothing, protection components or they even come with no vehicles, which made their movement in the mission almost impossible.[16] Consequently, the UN personnel have often been, after being deployed, incapable of immediately performing their tasks. It should be noted that supplying of conflict regions is in general problematic and may not be done as promptly as one would expect.[17] Thus, it may require additional time being spent on solving problems related to missing equipment or vehicles which reduces efficiency of the mission. Consequently, these examples are a good illustration of a superior ability of PMCs to be deployed faster and with readiness to deal with the situation without any delay, compared to peace missions of the UN.

### *Costs*

Financial costs of PMCs’ services have dominated the discourse on them. Shearer has interestingly pointed out in relation to the delivery of military force that “exactly what and who is deployed is less important – the issue is to find the most effective and least costly alternative.”[18] Her claim demonstrates that the costs that are related to the deployment of military personnel are always seriously considered and its significance may even decrease the

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importance of who will actually be chosen to pursue the task. It has consequently opened up the way for the private sector to obtain contracts for their military-related services. Many scholars hold the view that PMCs are actually used because of their cost-effectiveness vis-à-vis state or the UN force.[19] Contrary to them, however, stand those who claim the opposite, stressing especially lack of data to demonstrate the cost-effectiveness.[20] Similarly, against PMCs' financial efficiency stands also the fact, that it is often believed that they are too expensive, because their personnel are paid more than state forces, since as Singer highlighted, they cost approximately "two to ten times more than a US soldier."[21] To specify real earnings of PMC personnel, according to Geneva Centre for the Democratic Control of Armed Forces (DCAF) a daily wage of one private personnel can reach up to one thousand US dollars.[22] It consequently demonstrates that costs of their services are apparently high; however, does it really make them more expensive?

Although it may require substantial expenditures to buy the services of a private force, it can be in the end cheaper for a state or the UN to buy their services. The United States (US) Under-Secretary of Defence Robert Hale informed that in 2012 annual costs for one military personnel in Afghanistan was over \$800 000 and the number is projected to almost double in a near future.[23] Extremely high US expenditures consequently illustrate that state armies' participation in conflict regions is far from being cheap, and it will even increase dramatically. Moreover, before soldiers are deployed, they need to learn and practice military skills which increase the overall costs of state soldiers' deployment. Once the mission is over, they receive various benefits and later when they retire, they represent long-term financial ties for governments. Additionally, various states, such as Canada or the US, were forced to increase wages or offer benefits to their personnel, to motivate them not to give a priority to much better paid work for PMCs' employers, which even more increases costs of state armies.[24] All of these facts support the high costs of state forces. Hence, since in most cases countries do not always need a large military force, it is more beneficial to buy services of PMCs when needed, rather than trying to preserve and keep own capabilities in a good condition and wait when, or if at all, they will be used again.[25]

Financial benefits of using services of PMCs, rather than soldiers from various states who form the temporary UN force, have been proven. A notable example of real costs of PMCs' services is the EO's performance in Sierra Leone, resulting in a military defeat of the enemy for approximately 35 million dollars.[26] Brooks in his article manifested EO's cost-efficiency by making a comparison which showed that its almost two year mission cost significantly less than one month of the UN peacemaking in the country.[27] The financial gap is even more striking when the case of EO in Sierra Leone is compared to the UN missions in other states, where for instance, in case of the Democratic Republic of Congo (DRC), which was launched few years later, the UN spent more than one billion dollars per year.[28] As a consequence, EO as one of the PMCs has shown that PMCs are capable of doing what the UN troops can do – cease violence and end the conflict – but at significantly lower expenditures.

## *Skills*

It should be also underlined that PMCs' employees are indeed highly skilled individuals who are believed to be ex-members of "elite troops from the best trained armies in the world."[29] On the other hand, missions authorized by the UN usually cannot say the same about their troops. The UN has admitted that it faces difficulty to gain for its missions such individuals who are relatively skilled to fulfil military tasks required.[30] Hence, when a PMC is composed of such experienced military personnel, its superiority to the UN force, which includes also troops who are far from being ready to deal with the situation they face, cannot be put into a question. In addition, Joachim and Schneiker's research on PMCs activities has shown diverse actions they are capable of performing, which allows them to adjust to the actual requirements of a military mission.[31] It represents a substantial advantage for anyone buying their services, since it does not only demonstrate their skills, but also flexibility which is useful when working in conflict environment in which one never knows what to expect. Consequently, PMCs' personnel skills only strengthen the overall efficiency of security services provided by them.

## **PMCs – Possible Saviours?**

PMCs have not only demonstrated their skills, time and cost effectiveness; it can be argued that in some cases, since they represent the only security option, their efficiency cannot be disputed. As mentioned earlier, PMCs have been

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operating predominantly in the last two decades, which have been substantially different to the previous era. The aftermath of the Cold War resulted in a global situation in which the most powerful states cannot and in many instances do not want to become involved in conflicts as a number of their soldiers markedly decreased, a number of conflicts increased and their interests in particular peripheral areas have simply gone.[32] Hence, PMCs are the ones which can fulfil a role of saviours in conflicts no one would otherwise deploy its forces to.[33] There are several such instances in which services of PMCs could have been used. A striking example is the Rwandan genocide, which could have eventually ended differently, if EO's offer to be in place within incredibly short two weeks, would be accepted.[34] Similarly, the international community chose to abandon Rwandans again, when rather than buying PMCs' services, it "rejected the private proposal and no peacekeeping force was ever deployed, with the result that hostilities resumed on the Rwanda-Zaire border." [35] In both cases, PMCs were the only option and there is nothing to compare them to, thus they can be considered efficient since actually being able to meet the security demand.

## Conclusion

This essay has discussed the reasons for PMCs' efficiency and suggested that they are an efficient way of meeting the market demand for security. The paper has firstly introduced a brief historical context, which was followed by the analysis of the factors, namely time, skills and costs, which were used to support the argument of PMCs' efficiency. Time effectiveness of PMCs was demonstrated by their ability to quickly respond as well as by their preparedness for the action, which, unlike the UN forces, showed their capability of reacting to crisis without any delay. While the essay pointed out apparently high prices of PMCs' services, it subsequently showed that expenses related to deployment and long-term costs related to the maintaining of personnel in state armies make them in the long-term even more expensive. Moreover, financial comparison of costs of EO in Sierra Leone and the UN's missions revealed a significant gap, once again supporting PMCs' superior position. Similarly, the evident contribution to PMCs' efficiency is their highly experienced employees who are fully capable of performing well in various military tasks, and whose qualities are often incomparable to the ad hoc forces deployed by the UN. Furthermore, PMCs sometimes represent the last resort of meeting the demand for security, which means that since they are the only one option, their efficiency is axiomatic.

The aim of this essay was to demonstrate efficiency of PMCs and point out some of the notable examples to show that they have been, or in particular cases could have been, beneficial and much more efficient than state or the UN forces. PMCs have been widely employed, and a number of their employees in conflict areas have since the early 1990s rose dramatically, culminating during wars in Iraq and Afghanistan, where quantity of state soldiers and PMCs' employees was almost equivalent.[36] It demonstrates that numerous international actors have already chosen PMCs as the most efficient solution of their security question.

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## Endnotes

[1] Muritsama and Setyawan, "Emerging Role," p.205

[2] Brooks, "Messiah or Mercenaries?", p.129

[3] Leander, "The Power to Construct," p.804

[4] Avant, *The Market for Force*, pp.16-17

[5] Andreopoulos and Brandle, "Revisiting the Role," p.139, Avant, *The Market for Force*, p.17

[6] "Private Warriors: Interview: Hammer." <http://www.pbs.org/wgbh/pages/frontline/shows/warriors/interviews/hammes.html>

[7] Musah, "Privatization of Security," p.913, Andreopoulos and Brandle, "Revisiting the Role," pp.139-140, Fabre, "In Defence of Mercenarism," p.547, Hedahl, "Unaccountable," pp.175-176

[8] See the incident: Scahill, *Blackwater*, pp.3-9

[9] Fredland, "Outsourcing," p.209

[10] Renou, "Private Military Companies," p.108

[11] Singer, *Corporate Warriors*, p.9

[12] Ibid.

[13] DPKO, *UN Peacekeeping Operations*, p.63

[14] Spearin, "UN Peacekeeping," p.203

[15] Dokubo, "An Army for Rent," pp.58-59

[16] UN, *Report of the Panel*, p.18 <http://www.un.org/documents/ga/docs/55/a55305.pdf>

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[17] Isenberg, "Private Military Contractors," p.24

[18] Shearer, "Privatising Protection," in Leander, *Eroding State Authority?*, p.7

[19] Brooks and Laroia, "Privatized Peacekeeping," p.123,

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[20] "Private Warriors: Interview: Singer."

<http://www.pbs.org/wgbh/pages/frontline/shows/warriors/interviews/singer.html>, Renou, "Private Military Companies," p.111,

[21] "Private Warriors: Interview: Singer,"

<http://www.pbs.org/wgbh/pages/frontline/shows/warriors/interviews/singer.html>

[22] DCAF, Private Military Companies, p.2

[23] Shaughnessy, "One Soldier," <http://security.blogs.cnn.com/2012/02/28/one-soldier-one-year-850000-and-rising/>

[24] Renou, "Private Military Companies," p.111, Ulam-Weiner, "Private Military Contractors."

[25] Brooks and Laroia, "Privatized Peacekeeping," p.123

[26] Jones, "Private Military Companies," p.363, Percy, "Private Security Companies," p.69

[27] Brooks, "Messiash or Mercenaries?," p.131

[28] Brooks and Laroia, "Privatized Peacekeeping," p.122

[29] Brooks, "Messiash or Mercenaries?," p.135

[30] UN, *Report of the Panel*, p.18 <http://www.un.org/documents/ga/docs/55/a55305.pdf>

[31] Joachim and Schneiker, "All for One," p.261

[32] Alexandra, "Private Military," p.163, Abrahamsen and Williams, "Selling Security," p.134, Andreopoulos and Brandle, "Revisiting the Role," p.140

[33] Bellamy and Williams, *Understanding Peacekeeping*, p.328, Shearer, *Private Armies in Avant*, *The Market for Force*, p.5

[34] Singer, *Corporate Warriors*, p.185

[35] Bellamy and Williams, *Understanding Peacekeeping*, p.327

[36] Singer, *The Regulation of New Warfare* in Alexandra, "Private Military," pp.165-166, Singer in Leander, *The Power to Construct*, p.806

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