

1 Introduction

... a state is a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory

Weber¹

... the extent to which the state has a monopoly of physical force and the extent to which the use of physical force is legitimate are variables, not elements of a definition.

Levi²

It is common sense that the control, sanctioning, and use of violence fall to states. Weber's definition of the state is the obvious starting point in most investigations and even those who argue that globalization and the rise of non-state actors have affected vast portions of the world's political arena generally assume that coercive power still resides with the state. Private security activity in the last two decades, though, should lay waste to this conventional wisdom. When the US won a resounding victory against the Iraqi Army in 2003, one out of every ten people it deployed to the theater during the conflict were employed by private security companies (PSCs) performing the work (logistics, operational support of weapons systems, and training) that used to be done by military personnel.³ As lawlessness followed the fall of the Iraqi government and

¹ H. H. Gerth and C. Wright Mills, *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1946), pp. 77–78.

² Margaret Levi, "The State of the Study of the State," in Ira Katznelson and Helen Milner, *Political Science: the State of the Discipline* (New York: W. W. Norton, 2002), p. 40.

³ There is a debate over how to identify companies that provide violent services. David Shearer coined the term private military company and the acronym, PMC, which has become a common descriptor of these firms. Some argue that there is a clear distinction between PMCs and private security companies (PSCs) – PMCs do military tasks, PSCs do policing tasks. The distinction between PMCs and PSCs is hard to maintain, though, given the variety of services that any given company may provide and the increasing blur between traditional military and other security tasks in today's wars. Most recently, Peter Singer has introduced "privatized military firm," PMF. See Peter Singer, "Corporate Warriors: the Rise of the Privatized Military Industry and its Ramifications for International Security," *International Security* Vol. 26, No. 3 (winter

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coalition forces were stretched thin, an “army” of private security personnel flooded into the country. Some were hired by the Coalition Provisional Authority (CPA) to train the Iraqi police force, the Iraqi army, and a private Iraqi force to guard government facilities and oil fields. Other PSCs worked for the US Army translating and interrogating prisoners, or for Parsons providing security for employees rebuilding oil fields, or for ABC News or the Research Triangle Institute or any of a number of international non-governmental organizations (INGOs) working in the country. By spring 2004, it was estimated that in excess of 20,000 private security personnel, mostly retired military or police from countries as varied as Chile, Fiji, Israel, Nepal, South Africa, the United Kingdom, and the United States, employed by some sixty different PSCs worked for the US government, the British government, the CPA, private firms and INGOs in that country.⁴ The role of PSCs in the Iraqi occupation was thrust into the public eye when four private security personnel working for the US PSC, Blackwater, were killed and mutilated on 31 March 2004 and when contracted interrogators working for CACI and Titan were among those implicated in the abuses at Abu Ghraib prison.⁵

The role of private security in Iraq is simply the latest chapter in the private security boom. While the state’s monopoly Weber wrote about was exaggerated from the start and there has been a role for the private sector in security for some time, in the last two decades that role has grown and is larger and different now than it has been since the foundation of the modern state. Private security companies now provide

2001/02): 186–220 and *Corporate Warriors: the Rise of the Privatized Military Industry* (Ithaca: Cornell University Press, 2003). I use PSC to denote the whole range of for-profit security companies because it both more aptly describes the range of services these companies provide and avoids adding a new acronym to the list.

⁴ “Privatizing Peace and Security: a Hobbesian Dilemma,” *Daily Star*, 28 February 2004; Thomas Catan and Stephen Fiddler, “With Post-War Instability Still a Pressing Concern, Western Companies and Government Agencies are Awarding Big Contracts to Ex-Military Personnel with Expertise in Providing Security,” *Financial Times*, 30 September 2003. 4 May 2004 letter to Ike Skelton, ranking Minority Member, Committee on Armed Services, US House of Representatives from Donald Rumsfeld, Secretary of Defense, attachment “Discussion Paper on Private Security Companies Operating in Iraq.” This discussion paper estimates 20,000 employees to PSC in Iraq working for 60 companies. The list of companies that accompanies the paper, however, does not include several prominent PSCs known to be working in Iraq (it is missing such companies as Vinnell, MPRI, CACI, and Titan, among others). One former member of the CPA claims that no one really knows how many private security personnel are in the country. Interview with former CPA official, March 2004.

⁵ Press coverage of these events abound, but see for instance, James Dao, “Private US Guards Take Big Risks for Right Price,” *New York Times*, 2 April 2004; Joel Brinkley and James Glanz, “Contract Workers Implicated in February Army Report on Prison Abuse,” *New York Times*, 4 May 2004.

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more services and more kinds of services including some that have been considered core military capabilities in the modern era. Also, changes in the nature of conflicts have led tasks less central to the core of modern militaries (such as operating complex weapons systems and policing) to be closer to the front and center of maintaining security, and private security companies provide these services readily. Furthermore, states are not the only organizations that hire security providers. Increasingly transnational non-state actors (INGOs, multi-national corporations, and others) are financing security services to accomplish their goals. A burgeoning transnational market for force now exists alongside the system of states and state forces.

Private security and the control of force: the question

Why should we worry – or even care – about this market? The answer is simple, private security may affect how and whether people can control violence. The effort to contain violence within collective structures – rules, laws, norms, and institutions – has been an ongoing struggle throughout human history. “War,” John Keegan writes, “is not the continuation of politics by other means,” we only wish that were so. He argues that Clausewitz’s dictum was part of a theory of what war *ought* to be.⁶ Clausewitz’s conception reflected the emerging view in the west that the state – or the “public” sphere – was the institution through which the use of violence could be most effectively linked to endeavors endorsed by a collective. The endurance of references to Clausewitz indicates the degree to which state control of force (though often imperfect) has provided the best (even if highly uneven) mechanism human kind has known for linking the use of violence to political processes and social norms within a territory. How privatization affects this control, then, is a critical question. Does the privatization of security undermine state control of violence? Can the privatization of security enhance state control of violence? Does the privatization of security chart new ways by which violence might be collectively controlled? How does private security affect the ability to contain the use of force within political process and social norms?

⁶ John Keegan, *A History of Warfare* (New York: Knopf, 1993), quote from p. 1, see also discussion pp. 1–6. Keegan is using “politics” in the more benign sense of the term as the practice of political government.

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*The contracting out of sovereign transactions poses grave difficulties.*Williamson⁷*Preying on the vulnerability of kleptocratic regimes, corporate armies are repackaging violence in pseudo-market frills, with their eyes firmly set on creating safe havens around enclaves that are rich in natural resources.*Musah and Fayemi⁸*My division . . . employs expatriates with military skills . . . all moral and professional people with a mission to protect the personnel and assets of our clients . . . To do this we inject millions of dollars into the local economy each year, employ and provide training and opportunities to nearly two thousand local people on equitable salaries . . . [and] contribute considerably to economic efficiency and the ability of the diplomatic, humanitarian and formal business community to safely fulfill their tasks.*Fennell⁹

As these statements attest, the implications of privatizing security for the control of force are debated. Pessimists claim that the turn to private security threatens to undermine state control and democratic processes.¹⁰ Ken Silverstein characterizes this process as one “by which the responsibilities of government are transferred to corporate hands.”¹¹ In the US this allows for foreign policy by proxy – where corporate entities do what the government cannot. The implication of Silverstein’s argument is that the institutions that contain violence in the US are undermined by privatization. Violence becomes a private commodity rather than a public good – and the result, Silverstein argues, is a defense policy that ignores the real issues and threats only to be shaped by “the profit motives and egos of a small group of hardliners.”¹² In Africa, according to Musah and Fayemi, the consequences are even more severe. Though contemporary mercenaries attempt to distinguish themselves from the lawless “guns for hire” that ran riot over Africa during the Cold War, their consortium with arms manufacturers, mineral exploiters, and Africa’s authoritarian governments and warlords sustains the militarization of Africa.¹³ This poses “a mortal danger to

⁷ Oliver Williamson, “Public and Private Bureaucracies: a Transaction Cost Economic Perspective,” *Journal of Law, Economics, and Organization* Vol. 15, No. 1 (1999), p. 320.

⁸ Abdel-Fatau Musah and J. Kayode Fayemi, “Introduction,” in *Mercenaries: an African Security Dilemma* (London: Pluto, 2000) p. 4.

⁹ Communication from James Fennell, head of the Africa division of DSL, 29 November 2000.

¹⁰ Ken Silverstein, “Privatizing War: How Affairs of State are Outsourced to Corporations Beyond Public Control,” *The Nation*, 28 July 1997; Musah and Fayemi, *Mercenaries*.

¹¹ Ken Silverstein, *Private Warriors* (New York: Verso, 2000), p. 143.

¹² *Ibid.*, p. xvii.

¹³ Musah and Fayemi, “Africa: In Search of Security,” in *Mercenaries*, pp. 23–25.

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democracy in the region.”¹⁴ Unregulated private armies linked to international business interests threaten to undermine democracy and development in Africa.

Optimists, however, declare that private options offer solutions to intractable security problems that can operate within national interests and/or the values shared by the international community.¹⁵ In the US, Eliot Cohen argues, privatizing security services can help governments make the most of advances in information technology in the civilian economy and manage in a complex world with fewer troops.¹⁶ David Shearer argues that in Africa and elsewhere PSCs willing to take on messy intervention tasks that western militaries are eager to avoid can help end civil conflicts that would otherwise be intractable.¹⁷ He argues that rather than outlawing PSCs, the international community should engage them, give them a legitimate role, and expect them to operate as professionals, according to the values held by the international social system.¹⁸ Doug Brooks proposes that a consortium of PSCs could bring years of peacekeeping experience and North Atlantic Treaty Organization (NATO) level professionalism to protect vulnerable populations in places like the Democratic Republic of Congo (DRC); they could also train local gendarmes in policing and human rights so as to build a more professional local force.¹⁹

Who is right?

Private security and the control of force: the answer

I began research on this book intending to bring data to this dispute – to see whether optimists or pessimists provided the best guide to private security’s implications. I found evidence, though, that supported both arguments. I soon realized that both arguments could be “right” because their arguments hinge on different conceptions of “control” and often hold private security alternatives to different comparative standards. Ken Silverstein is worried about *political* control – who gets

¹⁴ Ibid., p. 26.

¹⁵ See David Shearer, *Private Armies and Military Intervention* (Adelphi Paper 316, Oxford University Press, 1998); Doug Brooks, “Write a Cheque, End a War,” *Conflict Trends* No. 6 (July 2000).

¹⁶ Eliot Cohen, “Defending America in the Twenty-First Century,” *Foreign Affairs* Vol. 79, No. 6 (November/December 2000): 40–56.

¹⁷ Shearer, *Private Armies and Military Intervention*. See also Holly Burkhalter quoted in Sebastian Mallaby, “Think Again: Renouncing Use of Mercenaries Can Be Lethal,” *Washington Post*, 5 June 2001.

¹⁸ Shearer, *Private Armies and Military Intervention*, pp. 69–72.

¹⁹ Doug Brooks, “Help for Beleaguered Peacekeepers,” *Washington Post*, 2 June 2003, p. A17.

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to decide about the deployment of arms and services. Eliot Cohen, though, is worried about *functional* control, or what kinds of capabilities will be present in American arms and services. Musah and Fayemi are also worried about political control, who calls the shots about the use of force – but unlike Silverstein, they are comparing privatization with a democratic ideal, not current African “public” forces. Finally, Shearer is worried about functional control – are forces capable for meeting current challenges that the international community (not just the US) sees and *social* control – the degree to which the use of force is integrated with prevailing international values.

Each of these definitions is problematic because they all ignore the fact that ultimately all three dimensions of control (and how they fit together) hold the key to controlling violence. Indeed, the control of force has been most stable, effective, and legitimate when all three aspects have reinforced one another – when capable forces have been governed by accepted political processes and operated according to shared values. Furthermore, any serious evaluation of privatization’s impact must compare private alternatives against a common standard – most suitably the other available alternatives rather than an unachievable ideal.

To find a common framework with which to examine these different dimensions of control, I draw on the “new institutionalism,” a diverse set of theory drawing from distinct “logics” in economics and sociology, but united by an interest in institutional mechanisms and how they affect collective outcomes. Juxtaposing economic and sociological institutionalist arguments, I argue that privatization’s effect on the capability of forces and the values they serve should vary. Privatization sometimes leads to greater capabilities, other times to lesser capabilities, and sometimes leads to more, sometimes less integration of violence with prevailing international values. Inevitably, however, privatization should redistribute power over the control of violence, both within states and between state and non-state actors. In effect, the shift to private guardians changes who guards the guardians.

The key question, though, is how privatization affects the way these dimensions of control fit together. Do the political changes introduced by privatization engender needed capabilities governed by acceptable political processes that operate according to shared values? I argue that this is most likely when the consequential mechanisms economists pay attention to: screening and selection, monitoring, and sanctioning, work together with the mechanisms for transmitting appropriateness sociologists pay attention to: norms, standards, education, and practices among security professionals, creating something like an equilibrium outcome. When they work against one another, they present individuals

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with multidirectional imperatives and opportunities, portending friction, instability, and change.

A fundamental intervening variable in my analysis is the varying capacities of states. Strong states that are coherent, capable, and legitimate to begin with are best able to manage the risks of privatization and harness the PSCs to produce new public goods, but they also have the most to lose if privatization tips the ledger and undermines the capacities of public forces or legitimacy of foreign policy. Weak states with ineffective and corrupt forces potentially have the most to gain (or the least to lose) from privatization, but also are the least able to manage private forces for the public good – efforts to harness the private sector for state building in weak states are often desperate gambles.

I illustrate this argument and demonstrate its usefulness by looking at three ways in which private security has changed political control. I begin by looking at state contracts for the delivery of security services. How do these contracts compare with the execution of policy with regular security forces? I then explore states' attempts to control the export of private security services. Can states control the security services that emanate from their territories? Finally, I examine non-state actors' financing security. Does non-state financing of security enhance or erode the control of violence?

I find that changes in political control frequently introduce new dynamics that destabilize the “fit” between functional, political, and social control of force. Thus even as it enhances the capacities of individual states and responds to new social demands, the market for force has often led to less stable control over force. The institutional model I put forth, though, suggests a strategy of action for those interested in generating more stable control – working toward continuity between norms, standards, monitoring, and sanctions.

In the rest of this chapter, I describe the current market for force, define some key terms, compare this market to previous ones, and look briefly at its origins.

A transnational market for military and security services

Private security companies provide military and security services to states, international organizations, INGOs, global corporations, and wealthy individuals. Every multi-lateral peace operation conducted by the UN since 1990 included the presence of PSCs. States that contracted for military services ranged from highly capable states like the US to failing states like Sierra Leone. Meanwhile, global corporations

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hired PSCs to provide site security and planning, and INGOs working in conflict zones or unstable territories did the same. Since the 11 September terrorist attacks on the United States, the war on terrorism has offered even greater opportunities for the private security industry. This is evident not only in Iraq – where PSCs are the second largest member of the “coalition of the willing” – but also in the growing presence of PSCs in the new jobs that accompany the war on terrorism, interrogators and interpreters, for instance.²⁰

The number of private security providers burgeoned during the 1990s. Trade in military and security services is not a category tracked by military or trade databases, so the data for this growth are rather piecemeal, but nonetheless compelling. Private industry projections suggested in 1997 that revenues from the global international security market (military and policing services in international and domestic markets) would rise from \$55.6 billion in 1990 to \$202 billion in 2010.²¹ Recent estimates suggest that the 2003 global revenue for this industry was over \$100 billion.²² Private security companies with publicly traded stocks grew at twice the rate of the Dow Jones Industrial Average in the 1990s.²³ Between 1994 and 2002 US-based PSCs received more than 3,000 contracts worth over \$300 billion from the US Department of Defense.²⁴

News reports of mercenary and/or private security activity have mushroomed. Some document the activities of individual soldiers of fortune, frequently linked with international criminal networks that profit from shady deals in the extractive sectors (diamonds, oil, timber, coltan, and other minerals) or in the market for illicit drugs and sex. During the Democratic Republic of Congo/Zaire civil war, the white legions (composed of Serbian and other European individuals) made the press frequently and in Chechnya, similar reports

²⁰ Singer, *Corporate Warriors*; John Crewdson, “Contractor Tries to Avert Repeat of Bosnia Woes,” *Chicago Tribune*, 19 April 2003; “US Firm to Rebuild Iraqi Army,” *BBC News*, 26 June 2003. CSC’s DynCorp is rebuilding the Iraqi police force, Northrop Grumman’s Vinnell won the \$48 million contract to create a new Iraqi army.

²¹ Equitable Securites Corporation, *Equitable Securities Research* 27 August 1997. Cited in Alex Vines, “Mercenaries and the Privatization of Security in Africa in the 1990s,” in Greg Mills and John Stremlau, eds., *The Privatization of Security in Africa* (Johannesburg: SAIIA Press, 1999), p. 47.

²² Peter W. Singer, “Peacekeepers, Inc.,” *Policy Review*, June 2003: 60.

²³ Jack Kelly, “Safety at a Price: Security is a Booming, Sophisticated, Global Business,” *Pittsburgh Post Gazette*, 13 February 2000.

²⁴ International Consortium of Investigative Journalists, “The Business of War: Privatizing Combat, the New World Order” (Washington, DC: The Center for Public Integrity, 2002), p. 2, hereafter referred to as the ICIJ Report.

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abound.²⁵ More frequently, however, reported “mercenary” activity is the activity of firms that offer security and military services. Well over two hundred such companies made the news between 1995 and 2004. Private firms trained militaries in more than forty-two countries during the 1990s. Some claim that several hundred companies globally operate in over one hundred countries on six continents.²⁶ While older companies such as Vinnell, Booz Allen Hamilton, Defense Systems Limited (DSL), DynCorp, and Cubic are still active, many of the highest profile firms (including MPRI – now part of L-3 Communications and Blackwater) have been established since 1985. Table 1.1 lists these firms organized by the services they provide and the countries from which their employees are generally drawn.²⁷

Though the table catalogues PSCs by country, as with global corporations more generally, many PSCs defy easy national classification. Take DSL as an example. It began as a British firm (founded in 1981 by General Sir David Ramsbotham) but was purchased by a publicly held American conglomerate called Armor Holdings in 1997 and became ArmorGroup.²⁸ Most of its employees that operate out of its London office are former British Special Air Services (SAS), but the company also draws on retired US military personnel and local personnel in its offices all over the world. In 2000 ArmorGroup had offices in the US, the UK, South Africa, Democratic Republic of Congo/Zaire, Mozambique, Kenya, West Africa, North Africa, Zimbabwe, Uganda, Hong Kong, Nepal, Asia, the Philippines, France, Bosnia-Herzegovina, Russia, Kazakhstan, Ukraine, Colombia, Ecuador, Venezuela, and Brazil, and regional managers in Europe and the CIS, Russia, Latin American, Southern Africa, Central Africa, North Africa, the Far East, and the Middle East.²⁹ In most of the regional offices, a small expatriate core with mostly British military background employs predominantly local personnel. DSL works according to local laws and with local personnel, but its behavior in one area affects its reputation worldwide. The company’s leadership claims to be keenly aware of the need to have

²⁵ See, for instance, “FSB Says British NGO Trained Chechens as Terrorists,” *Radio Free Europe/Radio Liberty*, 11 August 2000; “Chechens Falling Prey to Russian Soldiers of Fortune,” *Los Angeles Times*, 25 October 2000; Vladislav Dorofeyev and Yelena Artemkina, “Chechnya Opens Trade in Mercenaries,” *Moscow Kommersant-Vlast*, No. 9, 17 March 1998: 34–36.

²⁶ Singer, “Peacekeepers, Inc.,” p. 60.

²⁷ For a similar strategy of national attribution for global corporations, see Michael Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990), p. 25.

²⁸ Kevin O’Brien, “Freelance Forces: Exploiters of Old or New-Age Peacebrokers?” *Jane’s Intelligence Review*, August 1998: 44.

²⁹ ArmorGroup company literature.

Table 1.1. Military and security companies operational between 1990 and 2004

Military advice and training				
<p>Angola: Alpha 5 Saracen, International</p> <p>Australia: International Port Services Total Response Solutions International</p> <p>Belgium: International Defense and Security (IDAS)</p> <p>Canada: Black Bear Consulting CAE Global Risk Holdings Procon</p>	<p>France: COFRAS Eric SA Geolink Secrets Service and Security</p> <p>Israel: Beni Tal Golan Group Levdan Spearhead Limited</p> <p>Philippines: Grayworks Security</p>	<p>South Africa: Enryns Executive Outcomes Frederick, Nicholas, and Duncan (FND) Lanseria Meteorite Tactical Solutions Ronin Protective Services Saracen, International</p>	<p>UK (cont.): Northbridge Presidium Rubicon International Sakima Security Services Sandline Strategic Consulting Task International THULE Global Security Watch Guard Intn'l</p> <p>US: Akal Security Blackwater Booz Allen COMTEK Gubic DynCorp Eagle Group Executive Defense Tactics</p>	<p>US (cont.): Global Options HSS, Intn'l Ibis Tek ICI, Oregon Logicon MPRI – L-3 Operation Corporate Training Raytheon Ronco SAIC Samson Intn'l Steele Foundation Total Security Services Trojan Securities Intn'l Vinnell Corp. Worldwide Security</p>