

Private Security: Phantom Menace or Evil Empire?

The international private military services industry is flourishing around the world, but especially in Africa. Erroneously perceived as rogues, the industry currently relies on commercial contracts but may be more widely used by public and non-governmental (NGO) sectors in the future.

The industry includes a wide range of military services from combat logistics, to demining, to armed security. Most private military companies (PMCs) and private security companies (PSCs) prefer to focus on training programmes, demining, and lucrative industrial security operations in high-risk environments. Thus Africa offers rich opportunities for these companies.

Definition

Defining the international private military industry has always been problematic. While it is becoming more common to distinguish PMCs from PSCs, in this update, the focus is generally on any firm that provides international services that were traditionally provided by national militaries. In general, PSCs do passive/protective services for private clients, while PMCs provide active military services for state clients. A general listing of services include:

- 1 Offensive combat operations (PMCs)
- 2 Armed security services in unstable states to private clients (PSCs)
- 3 Armed security services in unstable states to public or international clients, including law and order operations (PMCs)
- 4 Humanitarian protection, operations, and support (PMCs/PSCs)
- 5 Military surveillance, strategic advice and intelligence (PMCs)
- 6 Demining (PSCs)
- 7 Military and police training (PMCs/PSCs)
- 8 Logistics and supply for military operations (PSCs)
- 9 Hostage situation advice and/or rescue operations (PMCs/PSCs)

Most PMCs/PSCs utilize retired personnel from national militaries (but it should be remembered that a soldier who puts in 20 years in a state military might be as young as 39 or 40 on retirement). They have recognizable company structures based in legitimate states and operate using standard international business practices. PMCs/PSCs are rewarded for efficiency in the form of future contracts. They

should be differentiated from freelance mercenaries. Freelance mercenaries are individuals that generally exhibit few of the inhibitions that influence companies to maintain a degree of ethics in their operations. Companies fear sanctioning by their home governments for illegal or unethical operations, and recognize that a bad corporate reputation would result in losing future contracts to the competition.

What makes PMCs/PSCs viable is their ability to offer military services more efficiently, more timely, and much more cheaply than state militaries or non-military companies could do themselves. PMCs/PSCs tend to be more innovative, more flexible and more creative when it comes to offering their services. They allow state militaries to focus on their core missions and give multinational corporations (MNCs) the ability to operate in militarily unstable regions that would otherwise be unfeasible. However, the contrast is most stark when PMC services are compared to UN operations – PMCs/PSCs can do

identical tasks for a fraction of what the UN would normally expect to pay. At some point in the near future these benefits will become too obvious to ignore, and the UN will be forced to reconsider its current policies against using PMCs/PSCs.

Companies that engage in demining (for example Minetech of South Africa) and those engaged in logistics (such as Brown & Root of the United States) tend to focus only on their particular specialties, despite the fact that they use much the same kind of ex-military personnel as regular PMCs/PSCs. Demining companies are considered humanitarian entities and the majority of their contracts come from NGOs, states and international organizations such as the UN. Logistics companies that supply militaries, often in war situations, are also careful about how they are perceived. Although both provide specialized military services, demining and logistics are accepted as more legitimate vocations than other PMC/PSC services, and thus benefit from disassociating themselves from services that their clients could label as mercenary-related.

**Private security
is an industry
where reputation
means everything**

Military services worldwide

For the past decade, private military services have been a growth industry globally. However, the United States Department of Defense has gone the furthest in privatising many of its traditional tasks.

In the Balkans, private firms are used instead of regular military units for training, demining, policing, supply and logistics, minimising the commitment and exposure of US military personnel. Increasing US involvement in Colombia has included the use of DynCorp for aerial surveillance and intelligence. International observers provided by the US to multinational operations are as likely to come from private companies as the regular military. While much of the military-industrial complex has suffered from downsizing and consolidation since the end of the Cold War, the military services industry has been blossoming. Companies like Military Professional Resources Inc. (MPRI) and Pacific Architects & Engineering (PA&E) have taken advantage of increasing worldwide opportunities to supply and train foreign militaries.

Other nations are recognizing the utility of private military companies. The post-Cold War military downsizing has drastically diminished the combat readiness of Western militaries. Both the overall size has been reduced and the proportion of the militaries that are actual combat units, but demands for combat capable forces have not diminished. To be able to field more combat units European militaries will have to follow the American lead and turn over their logistics and supply operations to private companies so that they can focus their militaries into combat units.

Africa

Africa, especially South Africa, will see proportionately the greatest growth in the international private security industry. While MNCs will increasingly use private firms to protect valuable assets such as mines and oil facilities, regional and international organizations such as ECOMOG (the Cease-Fire Monitoring Group of ECOWAS, the Economic Community of West African States) in West Africa and the UN will turn to private firms for expertise and services that member states are unable to provide. Any future African peacekeeping operations that take place in the Democratic Republic of Congo or Angola will require, at the very least, the services of private firms for logistics. The South African government has been highly critical of its international private military industry, but since South African troops are likely to be significantly

involved in future African peacekeeping missions, this policy will most likely be quietly modified.

If Western militaries are used in African peacekeeping operations, they will bring private companies with them in the form of support services. Nevertheless, there will be many opportunities for African PMCs/PSCs to gain contracts supporting such a force, and it is likely to see new African companies created for just such tasks, and existing companies expanded to provide the necessary services. Although the UN has been reluctant to work with private military companies, the realities and constraints of the international forces offered for peacekeeping will require a more nuanced policy in the future since some interaction with private companies will be useful, cost-effective and probably unavoidable.

MNCs that have extensive operations in Africa are probably already using African PMCs/PSCs to provide the necessary security for their facilities. In many countries, security firms are required to have a percentage of 'local content'. In some cases, the deal that MNCs make with the governments requires the use of locally owned and operated private security firms. Even Western-based security companies operating contracts in Africa usually provide little more than management personnel, while the bulk of their employees are recruited and trained locally. Due to the nature of most African wars, these security firms are often exposed to direct attack by rebel forces. Therefore, while they may be perceived as private police, many are by necessity trained and armed not only to prevent theft but also to repel military attacks. The presence of these private, defensive armies protecting valuable economic facilities frees up national militaries to concentrate on regular military operations and enhances localised security, especially at sites of strategic economic importance.

The greatest opportunity for future contracts comes from the public sector

It is ironic that African nations that have suffered from recent wars have a comparative advantage in the globalised world because of their experiences. Notably, demining companies based in Zimbabwe and South Africa are already cornering much of the world market with their services. Few Western companies can match their experience, skills, technology or even their prices in the field. Mozambique also has a number of companies, which are currently employed in extensive domestic operations, but could eventually market their services internationally. These companies have a great deal of experience in the field and have a large potential market for their services, as conflicts are resolved around the world.

Trends

Thus there are number of clear trends in the industry.

1. Around the world PMC/PSCs will increasingly take over military tasks such as training, intelligence, surveillance, demining and logistics from state militaries. This growth will be especially prevalent in the militaries of less developed countries.

2. With the mounting numbers, size, scope and complexity of peacekeeping operations, PMC/PSCs will eventually be called on by regional organisations and even the UN to assist with humanitarian efforts, military logistics, intelligence, supply and all forms of peacekeeping support. Within five years, PMCs may take prominent and active roles in peacekeeping and peace enforcement.

3. Although a few firms have made clear their willingness to participate in offensive combat operations, there is no opportunity for such action on the immediate horizon. Nevertheless, PMC/PSCs will increasingly see combat in their roles of providing security for industrial sites in war zones, peacekeeping support, and when protecting humanitarian operations. Should the UN or regional international organisation (such as ECOMOG) decide to 'legitimise' the use of PMCs for combat operations then there will be a rapid growth in the number of PMCs, mostly as subsidiaries of established PSCs.

4. MNCs with operations in unstable states (such as oil companies and mining firms) will increasingly contract out to PSCs to protect their facilities. Outsourced security will be preferred due to the high levels of specialization required, the complexity of such operations, and to provide a degree of separation from any ugly security 'incident'. Utilizing PSCs cushions MNCs from potentially disastrous public relations situations and allows them greater flexibility in their response to such incidents.

5. PMC/PSCs from less developed countries that have recently emerged from war will increasingly offer essential military services on the world market. These companies can utilize the skills left over from their conflicts to provide inexpensive military services underselling established Western military service companies.

6. The industry will experience increasing consolidation. While there are a great number of small companies that appear and disappear almost daily, they will not be able to compete effectively with the larger companies that have name recognition and proven reliability.

The international private military services industry is still in its infancy. It is an industry where reputation means everything as evidenced by the domination by a few large firms. The bulk of their revenues come from the private sector, but the greatest opportunity for future contracts comes from the public sector. Furthermore, the future investment of MNCs on the African continent will be largely determined by security effectiveness, and PMCs/PSCs can be instrumental in facilitating such investment. While the UN and NGOs have only used PMCs/PSCs in limited roles, they will increasingly use their services for humanitarian, peacekeeping, and even state-rebuilding operations in the future.

The increasing numbers of public sector contracts will result in a 'legitimation' of the industry, which will include a standardization of regulation and oversight to ensure humanitarian standards are maintained. For newer PMCs/PSCs, the key to accessing these future international contracts will be to develop stellar reputations for efficiency, ethics, and humanitarianism. In Africa, which suffers from many of the world's conflicts and many of the worst trained and operated state militaries, the trend towards privatisation of military services can only be a positive development.

In the near future the benefits of private companies will become too obvious to ignore