

28 August 2012

Negative Views of Civilian and Private Security Contractors

Concerns over their cost effectiveness and strategic value make the deployment of PMSCs a risky proposition. More worryingly, argues David Isenberg, is that they may permit governments to circumnavigate democratic debates over the necessity of sending armed forces into battle.

By David Isenberg for ISN

From the outset, it needs to be established that the use of private military and security contractors (PMSC) – whether in wars or [humanitarian](#) and stabilization operations – is not necessarily a bad thing. Indeed, even if this was the case, the United States is unlikely to [decrease its reliance](#) on them in the future, if for no other reason than the fact that contractors are now [essential](#) to maintaining the U.S. military's vast network of overseas bases and facilities. But it is also true that the deployment of PMSCs does not always make sense. Indeed, just because contractors are often [unfairly vilified](#) doesn't mean that their claims should be taken at face value. Yet, like any other issue worthy of debate the devil is always in the details. Questions concerned with how PMSCs will be used, who [monitors contracts](#) for proper implementation – not to mention the challenge of developing transparency and accountability processes – are questions that have far too often been answered by trial and error.

A Checkered Past

Advocates of the modern private military and security contracting industry – particularly its [trade associations](#) – often correctly state that the use of contractors in conflict is nothing new. Many support this argument by pointing to historical examples such as the deployment of Hessian units during the American Revolutionary War. Moreover, a cursory understanding of history makes it clear that, at least in the West prior to the Napoleonic wars, war was largely a commercial business.

But even back then not everyone thought that contractors were a positive. Adam Smith – hardly someone opposed to the private sector – denounced the [British East India Company](#) as a bloodstained monopoly: “burdensome”, “useless” and responsible for grotesque massacres in Bengal. P.J. O'Rourke further elaborates on this case in his book on Adam Smith's *Wealth of Nations*:

Smith understood the potential of privatization: Public services are never better performed than when their reward comes only in consequence of their being performed, and is proportioned to the diligence employed in performing them. But his experience of the corporations that were contracted to perform British government services—such as the East India Company, the Halliburton of its day— left him too

skeptical to suggest privatization: "These companies...have in the long-run proved, universally, either burdensome or useless."

Different Goals

Perhaps Smith intuitively understood that the goals of private sector companies and state organized military forces are very different and often mutually exclusive. For a military unit the only priority is accomplishing the mission. For a company it is making money. Those goals are not always reconcilable. As a former Marine Corps infantry officer who worked as a private security contractor in Iraq [wrote](#) a few years ago that "money, profit, the bottom-line, whatever you choose to call them" is the sole driving force behind PMSCs. The officer goes on to state that while the contractors cloak themselves in patriotic terms this is nothing more than window dressing.

Yet, were such contractors truly motivated by service to their country the officer further argues that they would surely provide their services at a deep and significant discount. And neither is it true that everyone in the military thinks that reliance upon PMSCs is a good thing. In 2010, for example, a U.S. Army officer [raised concerns that](#) the Army was "selling" large tracts of its professional jurisdiction to PMSCs. Indeed, as armed forces increasingly outsource core functions, "it not only cedes professional jurisdiction to private enterprise, it loses some of its ability to sustain and renew its expertise, to develop the next generation of professional officers, and to nurture the ability to think creatively about new problems".

As a result, the officer argues, an army that chooses short-term expediency over long-term professional health also chooses slow professional death. It may even be the case that the officer would point to deployment of PMSCs in Iraq to add substance to his argument. In the aftermath of the 2003 conflict, the US military was [concerned](#), for example, that contractors would not show up to perform their job. There were also tensions between [soldiers and security contractors](#), issues relating to [military command and control of contractors](#), not to mention difficulty in answering such a basic question as to how many contracting were operating in theater.

Questions of Effectiveness

Another argument that PMSC advocates make is that because many of their employees had previously served in the military they are already highly professional. There has always been an element of unreality about [this argument](#). One would never find military leaders implicitly basing trust upon their troops simply on the fact that they are soldiers or marines. Instead, military leaders understand that part of professionalism means constantly checking and double-checking as well as (re)training to ensure that personnel act accordingly. Consequently, it is never assumed that once a soldier achieves a certain degree of professionalism that it stays that way without continued effort.

Defenders of private contracting also recycle [arguments](#) that the private sector is more cost-effective than the public sector. In part this is due to the sheer repetition of the belief that government is fundamentally inefficient and unproductive. Yet there has not been a whole lot of empirical evidence to back up the claim. In some cases, such as security contractors working for the State Department, there is [limited evidence](#) to suggest that contractors are cheaper. Indeed, with respect to the overall market in private military services, there is reason to believe that outsourcing increases the cost of military functions. There are two major reasons for this. First, a transparent and competitive market is needed, so that clients can pick and choose among different suppliers. Second, contracts must be subject to transparent bidding procedures, competing offers must be systematically compared and the performance of suppliers on the contract terms has to be closely monitored, and, if necessary, sanctioned.

In general, the environment surrounding military interventions is not conducive to cost savings and efficiency. Warfare is usually characterized by secrecy, heavy time constraints and the imperative of victory and little time available to partake in complex bidding procedures. Indeed, [transparency is often lacking](#), which, in turn, makes it difficult to assess contract performance. Moreover, military commanders prepare for worst case scenarios, thus always having a backup (or two or three) at hand. For the military commander the priority is accomplishing the mission, not saving money.

To the extent that increased privatization and outsourcing has been driven by considerations of lower cost and greater efficiency, problems arise when cost reductions are assumed, or when statistics measuring savings from outsourcing are based on hypothetical projections. It is, in fact, quite difficult to compare the relative cost of private versus public security services. Economists disagree on how to solve this problem at least in part because they use different variables. For example, when measuring the savings made by using retired special operations forces personnel, how do you factor in the hundreds of thousands of tax dollars used to train these ex-soldiers?

Even more difficult can be attaching a dollar value to in-house military services. Since military establishments often have a monopoly on service delivery and information regarding cost, obtaining accurate comparative information is not easy. Accordingly, there have been occasions where private contractors (usually logistics service providers) have stayed within budget to the detriment of their employees' [working conditions](#).

Although it receives less attention than issues relating to cost and effectiveness, using PMSCs may also be a strategic liability. Retired U.S. Marine Corps Colonel T.X. Hammes, for example, identifies [inherent characteristics](#) of contractors that create problems for the government. Firstly, despite PMSCs often relying upon former armed forces personnel, the government does not control the quality of the staff that the contractor hires. Moreover, unless the government provides suitably qualified personnel for each project involving PMSCs, it has little control over the contractors' daily interactions with the local population. This latter point is crucial because populations hold the government responsible for everything that the contractors do or fail to do. Since insurgency is essentially a competition for legitimacy between the government and insurgents, this factor elevates the issue of quality and tactical control to the strategic level.

Shaping Public Opinion

Beyond concerns over effectiveness and strategic value, PMSCs have an additional - perhaps unintended - function that ultimately brings into question their place within modern military operations. A final more [worrying observation](#) from Colonel Hammes is that PMSCs provide opportunities to initiate and sustain long-term conflicts without the political effort necessary to convince a society based on democratic foundations that a war is worth fighting. This reflects that most wars no longer require full-scale national mobilization, but rather selective mobilization of both military and civilian assets. Indeed, both proponents and opponents admit that without contractors, the United States would have required much greater mobilization efforts to generate and support a force of 320,000 in Iraq (the combined troop and contractor count) or a force of over 210,000 in Afghanistan. The use of contractors, therefore, has the potential to facilitate the conduct of conflict without a significant amount of public consensus or domestic political debate.

David Isenberg is the author of [Shadow Force: Private Security Contractors in Iraq](#). He writes the blog [The PMSC Observer](#) and previously the [Dogs of War](#) column for UPI from 2008 to 2009. He has been researching and writing about private military and security contractors since the early 1990s.

Publisher

[International Relations and Security Network \(ISN\)](#)

Creative Commons - Attribution-Noncommercial-No Derivative Works 3.0 Unported

<http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?ots591=4888caa0-b3db-1461-98b9-e20e7b9c13d4&lng=en&id=152091>

ISN, Center for Security Studies (CSS), ETH Zurich, Switzerland