INSIGHTS

No. 258 | 27 April 2021

The Stability Operations Industry

From War Profiteers and Mercenaries to the Military's Indispensable Ally

Doug Brooks

The Changing Character of War in the Middle East and Beyond

Since the privatisation of the American war in Iraq, the commercial market for force in the Middle East has grown exponentially, raising critical regulatory concerns. In addition to protecting people and infrastructure, for instance along China's Belt and Road, some security contractors now even perform combat-related services such as communications support and drone operations. While professional contractors promise greater flexibility and cost-efficiency than traditional armies do, we have also seen shadowy contractors and mercenaries being deployed with plausible deniability by the likes of Russia and Turkey in places like Syria and Iraq.

This series of *Insights* brings together academics and industry practitioners to explore the possibilities and challenges presented by such privatisation of the state's monopoly on the use of force.

NUS National University of Singapore | Middle East Institute Singapore

The Stability Operations Industry
From War Profiteers and Mercenaries to the Military's Indispensable Ally

Doug Brooks*

Journalistic and academic writing often slaps the wide variety of companies offering services in conflict and post-conflict regions with the derogatory label of "mercenaries", obfuscating some very real strategic advantages of privatisation. Looking beyond the popular representation, this article asserts that in international stability operations the private sector offers flexibility, cost-effectiveness, reduced defence spending, more palatable policy options and rapid capacity deployment, while allowing for regular military forces to focus on their core missions. It makes this argument within three specific contexts: (i) a long-drawn foreign military presence, (ii) an international peacekeeping mission, and (iii) a small state looking to involve itself in a complex security environment abroad.

In discussing military privatisation, many newspapers, notably *The New York Times*, use the "mercenary" terminology. Their definition of a mercenary effectively is a foreigner or a businessperson whom they don't like. Given that the "mercenary" moniker is an eye-catching term that may sell more papers, journalists may be forgiven for using it. However, this term gets tossed around even in legal documents. The UN arm dedicated to regulating the private security and military sector calls itself the "UN Working Group on Mercenaries". This is equivalent to a

UN body on lawyers calling itself the UN Working Group on "Ambulance Chasers"!

The label of "mercenary" — or its equivalents such as "merchants of death" and "war profiteers" — caricatures and demonises one of the world's oldest professions. It also obfuscates a deeper understanding of the kind of activities that the private security and military sector engages in today. For one, it papers over the critical difference between "private military companies" (PMCs), which are hired by governments to supplement their military capabilities, and "private security companies" (PSCs), which are hired by private actors to simply protect a person, place or thing. The mercenary label also belies the fact that most of the companies in the larger stability operations industry may have very little to do with security provision.

"The label of "mercenary" … caricatures and demonises one of the world's oldest professions."

Among the members of the International Stability Operations Association (ISOA), the leading trade body representing the interests of the stability operations industry, only about 15 per cent are security companies. The majority are logistics and construction companies, which also can be many times larger than security companies. For most of these companies, their daily activities involve providing services such as cleaning, plumbing or IT — what similar companies do in peaceful environments. Yet, they get labelled as "mercenaries" because they work in conflict, post-conflict and disaster-affected areas. In fact, most of the individuals working for such companies are locals hired from the country where the operation is taking place. Since these are all profit-driven

enterprises, if they can find a local to do a job for less, they see no point in paying more for a foreign employee, who has to be provided housing, food, travel expenses, etc.

We need to move beyond the "mercenary" stereotype in order to open more productive lines of inquiry into the very real strategic benefits that private contracting in the stability industry can provide, specifically to large militaries with a substantial footprint abroad, to international peacekeeping missions, and to small states engaged in peacekeeping or expeditionary military missions. By contracting out many of the activities in complex environments that do not have to be carried out by regular armed forces, such as building a base or guarding a convoy, states can save taxpayer money. Private companies, able to hire locals, can provide vital services at a fraction of the cost of a national army operating on foreign soil. Moreover, by outsourcing the more mundane activities, militaries can free themselves to focus on their core missions. Done wisely, privatisation offers the most efficient use of limited resources.

"By contracting out many of the activities in complex environments that do not have to be carried out by regular armed forces … states can save taxpayer money."

The perennial problem commonly associated with private contractors in unstable regions is accountability. While there is much work that can still be done in improving accountability structures and ensuring the highest levels of professionalism, the problems are greatly exaggerated. In fact, private contractors provide greater control

flexibility, and even accountability, than state militaries. Put very simply, you can fire private companies if they are not doing the job you want in the way you want. You cannot do that with a military that happens to be the problem. With private contracting, funding can be cut off for contractual deficiencies or criminal behaviour. Companies that repeatedly fail to deliver will lose their sources of income and will gradually disappear, but it is generally easy to find an alternative from the open market at any point in time.

A Privatised Green Beret Model in Afghanistan?

Even US government agencies are still trying to figure out how comfortable they are with the private sector taking over many of the tasks that make up military operations. It is interesting to see where the red lines have been drawn. For example, aerial refuelling remains a task that the military almost exclusively carries out itself even though private companies do the job just as well and cheaper when allowed to. Refuelling is not a dangerous task, but it is a highly skilled job, and the requisite skills can be easily obtained from the market.[1] Yet, the US air force is still expending sizeable sums in taxpayer dollars as it struggles to upgrade its ageing fleet of air tankers and only now looking into using private contractors to meet some of its aerial refuelling needs.[2] This

[1] See for example, Tyler Rogoway, "The first boom-equipped tanker for a private aerial refuelling company has arrived", *The Drive*, 22 November 2019, https://www.thedrive.com/the-war-zone/31168/the-first-boom-equipped-tanker-for-a-private-aerial-refueling-company-has-arrived.
[2] See Department of the Air Force Report to Congressional Committees, "CRR-FY20 Contractor-operated Aerial Refueling Aircraft," April 2020, retrieved from http://lignesdedefense.blogs.ouest-france.fr/files/Contractor-Operated%2BAerial%2BRefueling%2BAircraft%2B%28with%2Bsig%29.pdf.

example is mentioned to emphasise the need to systematically rethink which activities the US military should keep for itself and which it can outsource to save costs and even increase its own deployment flexibility.

"Since most of the conflicts around the world today are low-intensity conflicts, where the risks are manageable, there is a significantly more prominent role for private companies."

One of the main hindrances in the way of an honest debate on security privatisation is that in many ways the popular imagination of war is still stuck on the big wars of the 20th century, like the First and Second World Wars. During such large-scale direct conflicts, there is a limited frontline role for private actors, although in the case of the United States, more than 700,000 contractors helped build bases, repair ships and shuttle aircraft while also providing other support services in the Second World War alone. However, since most of the conflicts around the world today are low-intensity conflicts, where the risks are manageable, there is a significantly more prominent role for private companies. In a mission that lasts for 20 years, like in Afghanistan, it makes a lot of sense to minimise the military's footprint to reduce costs and risk. Outsourcing reduces the risks since contractors, especially local hires, do not have the same value as political targets. The cost savings also make it feasible to maintain a mission for 20 years.

In his provocative opinion piece written for *The Wall Street Journal*, Erik Prince, the founder of the now defunct military contracting company Blackwater, offered a controversial military privatisation model

for Afghanistan.[3] The article received a lot of flak for using language from the British colonial period, and rightfully so. However, if we move beyond his use of terms such as "viceroy", there is, at the core, a fascinating suggestion for using the Green Beret model. In their early operations in Vietnam, the Green Berets (also known as Army Special Forces) had bases each with a team of perhaps 20 of their troops to support several hundred local military personnel as advisers. The Green Berets would go into the field with the locals and handle much of the technical communications work, for example, calling in airstrikes, because they had those skill sets. The Green Berets thus made the much larger local force far more effective.

"One of the critical advantages of private contractors that is often overlooked is that they find it easier to fit into a local setting than a foreign military can."

Having been in Afghanistan for two decades, both the United States and NATO forces are looking for an exit plan. There is very little appetite left for seeing more of their soldiers die in a seemingly endless conflict. It is clear now that they will not keep the same level of military engagement in the future, even if it means risking 20 years of sacrifices. Within this scenario, Prince's suggestion is a lot less outrageous than it is made out to be. He is not suggesting that the entire country be handed to a private army but that a small group of highly skilled foreign soldiers

[3] Erik Prince, "The MacArthur Model for Afghanistan", *The Wall Street Journal*, 31 May 2017, https://www.wsj.com/articles/the-macarthur-model-for-afghanistan-1496269058.

could train and advise a much larger force of Afghans. From what we know, the Afghans have excellent soldiers who are highly capable of handling essential combat tasks. All they lack is expertise in modern security strategies and technology, and this is what a private company can provide.

One of the critical advantages of private contractors that is often overlooked is that they find it easier to fit into a local setting than a foreign military can. Foreign militaries usually stick with their respective doctrines, cultures and routines; even when abroad, they tend to follow the same protocols and practices they were trained for at home. Private contractors, on the other hand, are able to quickly adapt to the area of operation. To begin with, owing to cost and other practical considerations, most of their staff are locals. Given that stability operations can be a highly competitive industry, even the foreign workers hired by PSCs know that they have to adapt themselves to their surroundings. Although more limited on what actions they are allowed to carry out than regular military forces, PSCs can thus be seen as a more flexible force.

Contracting Peacekeeping Missions

While there has been a growing acceptance of PSCs for protecting commercial facilities such as mines and factories in areas of conflict, there remains great hesitance in hiring the same PSC to protect the village next to the mine or the township where factories are located. If we set aside our prejudice against private security providers, it becomes clear that they can provide humanitarian organisations and even international bodies, such as the United Nations, with an ideal security solution. As noted earlier, they can provide cheaper, quicker, and more

accountable personnel who are better connected and accepted within the local context.

Researching the private sector's role in conflict or post-conflict environments involved travel to Sierra Leone in 1999 during the giant UN peacekeeping mission there, UNAMSIL. In interviewing several UN officers and representatives, as well as local non-governmental organisations and private companies working there, it was clear the UN mission was a mess. While academics of the day generally assumed private security actors were essentially "merchants of death" and all private companies "war profiteers", the reality on the ground was very different. Almost everything that was actually being moved, fixed or done was by contractors employing mostly local personnel. Essentially, the private sector was holding the entire mission together.

"Essentially, the private sector was holding the entire UN peacekeeping mission together [in Sierra Leone in the 1990s]."

While the contractor staff were mostly locals, the UN staff were overwhelmingly foreigners who were not as familiar with the unique conflict and accompanying politics of Sierra Leone. For example, Pacific Architects and Engineers (PAE) was by far the largest contractor, and it was comprised of roughly eight Americans and 400 Sierra Leoneans. As a result, there was much higher acceptance of their presence. PAE, to this day, continues to employ skilled Sierra Leoneans to run a large depot in the country that is used to support international peacekeeping operations across Africa.

This firsthand experience in Sierra Leone suggested that private companies offer an effective and efficient solution to supporting the typical international peacekeeping missions made up of a hotchpotch of military forces cobbled together from different countries. For example, military engineers can certainly build a refugee camp. But it will be a lot cheaper to hire a private company to do the job since they usually use local labour. This practice will also provide gainful employment to more locals. If the needed skillsets are not locally available, private companies are usually resourceful enough to hire from the readily available pool of workers in other developing countries — a solution that is still cheaper than using all-Western personnel. Hence, to undertake a large-scale task on a short timeframe and with a stringent budget — like building a massive refugee camp or a bridge or conducting a large medical operation — it makes more sense to use the private sector to tap into more cost-effective labour pools and source the most appropriate and inexpensive equipment.

"To undertake a large-scale task on a short timeframe and with a stringent budget … it makes more sense to use the private sector to tap into more cost-effective labour pools and source the most appropriate and inexpensive equipment."

PSCs also help bodies like the United Nations and African Union meet one of their biggest challenges: procuring soldiers and military skill sets from other countries willing to take on missions in dangerous locales. Perhaps the most interesting operation — that never happened

— came during the Rwandan genocide. Kofi Anan, the head of the UN Department of Peacekeeping Operations at the time, had been struggling to find countries willing to offer military units for a peacekeeping force in an extremely violent situation. Eventually, he made a call to Executive Outcomes, a controversial South African PMC, to see whether they would be willing to take on the mission in Rwanda. Following a quick back-of-the-cocktail-napkin calculation, Executive Outcomes offered to put personnel on the ground within two weeks and control the country in six weeks, after which they would pass on the reins to the United Nations. And they may well have delivered if there had not been a change of plans on the part of the United Nations. The big players that could have deployed forces quickly to stop the genocide — the United States, United Kingdom, France and Russia — failed to do so. Expeditionary missions are politically difficult for militaries, but private companies supporting the international community can procure personnel and equipment on short notice and provide the same capabilities for less and with greater accountability.

Small States and Private Security

Beyond handling security operations in complex environments for large states such as the United States and peacekeeping bodies like the United Nations, private companies providing stability operations can offer critical benefits to small states like Singapore. Militaries in small countries can focus on their core duties while outsourcing the mundane work needed to keep military bases running on a day-to-day basis. Given the high cost of training militaries and the limited availability of willing recruits owing to their small population bases, it makes economic sense for small states to have prized soldiers focus on further improving their core capabilities instead of peeling potatoes, repairing engines or fixing

the internet — tasks that can easily be contracted out to private companies.

We could go further and suggest that small countries can even use PSCs to protect their assets, hence freeing their troops to focus on more complex missions. The United States, which is the strongest and largest military globally, has long been using private companies to provide guards for its military bases. Since the US military forces went all-volunteer back in the late 1970s, they have realised that individuals join the military to serve their nation and not stand guard outside gates like glorified mall cops. For small countries like Singapore, preserving their best personnel for the most challenging jobs becomes much more critical.

"Private contractors could perhaps be a resource as Singapore flexes its diplomatic muscle through more peacekeeping operations abroad."

Singapore's police force has a contingent of former British Gurkhas, who used to serve as a riot squad. They worked for the government but they were not related to any of the ethnic groups within Singapore's multi-ethnic society. Hence, they acted as a neutral referee. If any specific group tried to exert undue pressure over either the government or other ethnic groups, the Gurkha force could be called upon to act without bias. In a way, you could think of them as an independent private company.

The situation in Singapore is no doubt very different now. It does not need a balancer force anymore. However, private contractors could

perhaps be a resource as Singapore flexes its diplomatic muscle through more peacekeeping operations abroad. In fact, Fiji, a country with a population of less than a million has become famous for providing reliable and professional peacekeeping soldiers deployed in UN missions around the world. Small states can no longer ignore complex security environments, particularly within their backyards; they may need the expeditionary capabilities that the stability operations industry offers. The services for which private contractors would be needed go beyond security. In some areas, private companies would be needed to move personnel and equipment from point to point. They would be essential for construction activities in a politically unstable context. Having the state's soldiers perform all these activities themselves would constitute a highly inefficient allocation of scarce resources.

For a small country, Singapore has a highly professional and well-equipped military. Yet, as its forces become involved in more operations abroad, they may see increasing value in roping in the private sector. This would be a positive development for the private security industry as well. Singapore may be able to bring its world-renowned professionalism to the writing of contracts and outlining of procedures for the private security industry. Singapore can even prove to be a leader in the field by setting guidelines for other small countries to follow when contracting PSCs.

Conclusion

In many ways, the stability operations industry is like any other industry, with the only outwardly obvious difference being that they provide their specialised services in conflict, post-conflict and disaster environments. While two decades ago they were generally demonised as "mercenaries" and "war profiteers", these days the criticism is more muted and

generally more constructive, focusing on issues related to contract design, ensuring accountability for foreign personnel in complex environments and cost-effectiveness. The industry has been successfully supporting international militaries deployed throughout the world for decades now, making the limited numbers of troops available far more effective.

Questions are often legitimately raised about the proper role of private companies, especially armed security, but at the same time organisations like ISOA and the International Code of Conduct Association for private security providers (ICoCA) have stepped up to create codes of conduct and work with the international legal community to address questions of legal accountability and rules for the use of force. Ultimately, the private stability operations industry exists only because there is demand. It will grow or shrink depending on the number and size of international stability missions around the world. Looking at Afghanistan, Syria, South Sudan, Yemen and other conflicts, it does not look like the demand will go away any time soon, so it makes sense to take advantage of the capabilities and savings that the industry offers. ◆

* ***Mr Doug Brooks*** *is a specialist on the regulation and constructive utilisation of the private sector for international stabilisation, peacekeeping, disaster relief and humanitarian missions. He founded the International Stability Operations Association (ISOA) in 2001 and ran it for more than a decade, supporting industry professionalism, standards, codes of conduct and greater application by the international community. Now president emeritus of ISOA, he also serves as a member of the board of the Afghan–American Chamber of Commerce, as special adviser on responsible business practices at the Fund for Peace, and as an adjunct faculty member at the University of Fiji.*

29 Heng Mui Keng Terrace
Block B #06-06
Singapore 119620
Tel: +65 6516 2380; Fax: +65 6774 0458
Email: contact.mei@nus.edu.sg
www.mei.nus.edu.sg