“How is it in our nation’s interest,” asked U.S. Sen. Carl Levin recently, “to have civilian contractors, rather than military personnel, performing vital national security functions … in a war zone?” The answer lies in humanity’s long history of contracting force and the changing role of today’s private security firms. Even as governments debate how to hold them accountable, these hired guns are rapidly becoming indispensable to national militaries, private corporations, and nongovernmental groups across the globe.

“Private Security Companies Are Mercenaries”

No. The term “mercenary” describes a wide variety of military activities, many of which bear little resemblance to those of today’s private security companies. The mercenary activity associated with entities such as the British East India Company came about when nation-states chartered companies to establish colonies and engage in long-distance trade. Mercenary units that fought in the American Revolution were effectively leased to the British Army by the Hessians. The soldiers of fortune that ran riot over the African continent in the 1960s were individuals or small ex-military groups that operated in the shadows.

Modern contractors most resemble the military enterprisers of the late Middle Ages. Before the rise of the nation-state, nearly all force was contracted. From the 12th century through the peace of Westphalia in 1648, military contractors often employed soldiers trained within feudal structures, sending them to whomever could pay, from Italian city-states to the Vatican. Fighting wars, maintaining order, and collecting taxes were among the various political tasks filled by these military enterprises. Some historians link the rise of contracted forces in the late Middle Ages to the inability of the feudal system to address the increasingly complex needs of a modernizing society, such as the pro-
Protection of trade routes for merchants. Similar reasons exist today: The market pressures, technology, and social change of a globalized world create multiple demands that national militaries have difficulty meeting.

Today’s private security companies are corporate endeavors that perform logistics support, training, security, intelligence work, risk analysis, and much more. They operate in an open market, work for many employers at once, and boast of their professionalism. These companies staff their projects not with permanent employees, but with individuals drawn from vast databases of ex-military and former law enforcement personnel. These databases list individuals by experience and specialty so contractors can custom-fit each job with qualified employees. Individuals may appear in several databases, move easily from one contract (and company) to the next, and freelance when not under contract. Although many of these individuals are quite honorable, the industry’s structure allows ample opportunity for some who bear disturbing similarities to the 1960s-style soldiers of fortune to enter the corporate mix.

“The Bush Administration Has Dramatically Expanded Use of Military Contractors”

Wrong. The United States ramped up military outsourcing during the 1990s, after the end of the Cold War brought reductions in force size and numerous ethnic and regional conflicts emerged requiring intervention. During the first Gulf War in 1991, the United States deployed about one contractor for every 50 active-duty personnel. Ethnic conflicts in Bosnia and Herzegovina in the mid-1990s and Kosovo in 1999 saw that ratio increase to about 1 to 10, roughly equal to that of the recent war in Iraq.

Since U.S. President George W. Bush announced the end of “major combat operations” in Iraq in May 2003, however, security contractors have flooded the country. The unstable environment has stretched coalition forces thin, and the absence of a U.N. mandate has made tools such as U.N. peacekeepers and international civilian police unavailable, drawing private security companies closer to combat as the Iraqi insurgency continues. Media attention on contractors in Iraq, such as the Americans who allegedly abused Iraqi detainees at the Abu Ghraib prison, has also raised public awareness of security contractors to a higher degree than in previous conflicts.

“Contractors Don’t Engage in Combat or Other Essential Military Tasks”

False. Although U.S. Defense Secretary Donald Rumsfeld said the Pentagon would outsource all but core military tasks, these tasks are changing, and military contractors perform many of them. Contractors have the technical expertise to support increasingly complex weapons systems, such as the United States’ B-2 bomber and Apache helicopter. Contractors often provide key services in peacekeeping and governance-building missions, from staffing civilian police to training fledgling military and police forces. The war on terrorism also increases the importance of intelligence services, which contractors provide readily—even including, as we now know, prison interrogation. As the Iraq conflict demonstrates, many military duties that may not technically be considered core tasks nonetheless become so in the midst of war. Truck driving may not sound like an integral military responsibility, but if a driver delivering fuel to troops passes through combat zones, the truck driver may have a more intense military experience than anticipated. Similarly, language interpretation may sound mundane, but two of the four contractors implicated in the Taguba report on the Abu Ghraib abuses were hired as interpreters or translators.
“Military Contractors Are Cheaper than Regular Soldiers”

Prove it. Numerous studies on privatization and outsourcing suggest that two conditions must be present for the private sector to deliver services more efficiently than the government: a competitive market and contractor flexibility in fulfilling their obligations. But governments frequently curtail competition to preserve reliability and continuity. For instance, military contractor Kellogg, Brown & Root (a subsidiary of Halliburton) won a no-bid contract to rebuild Iraqi oil fields in 2003 because the Pentagon determined it was the only company with the size and security clearances to do the job. Moreover, governments often impose conditions that reduce contractors’ flexibility. For example, when the U.S. Army outsourced ROTC training in 1997, a long list of requirements for trainers resulted in a higher estimated cost than that of the previous program. A 2000 report on logistics support in the Balkans by the U.S. government’s investigative arm, the General Accounting Office (GAO), faulted the military for poor budgetary oversight. Perhaps most telling, cost-effectiveness is not one of the three reasons for outsourcing listed in a 2003 GAO report on military contracting. (The reasons: to gain specialized technical skills, bypass limits on military personnel that can be deployed to certain regions, and ensure that scarce resources are available for other assignments.)

News reports on the war in Iraq have noted the relatively high salaries of contractors—some $20,000 per month, triple or more what active-duty soldiers earn—but such figures fail to explain whether contractors are indeed cost-effective. Some analysts argue that contractors are ultimately cheaper because they allow the military to avoid the expense of recruiting, training, and deploying personnel. However, most contractors are recruited and trained by governments at some point in their careers. In addition, U.S. military leaders have voiced concern that the lure of corporate contractors undermines Army personnel retention—a worry shared by military leaders from Britain to Chile.

“Contractors Are Accountable to No One”

An exaggeration. Many governments regulate security contractors to greater or lesser degrees. In the United States, for example, the Federal Acquisition Regulations and additional Department of Defense rules govern contracts with private security firms. The fact that contractors can be fired makes them at least minimally accountable for their actions. For instance, former Sierra Leone dictator Valentine Strasser fired U.K.-based Gurkha Security Guards (GSG) for refusing to provide security for army training facilities in 1995.

That said, market accountability differs from accountability in well-run military organizations. Military forces are beholden only to their governments, which can use several methods, from withholding funds to personnel discipline, to hold an organization or individual to account. Contractors are accountable to a range of employers and respond most effectively to market incentives. When deciding how to respond to a request, for example, contractors consider how that request might affect their other customers, broader market reputation, and, ultimately, their earnings. GSG managers reportedly worried that training Sierra Leone’s troops would give the company a mercenary reputation that might endanger future contracts. Given its work with employers such as the British government, this concern made good business sense.

The use of contractors to avoid governmental accountability is more worrisome. In the United States, for instance, the executive branch hires contractors. Although the U.S. Congress approves the military budget, its access to information about contracts is
often limited. The president can use this advantage to evade restrictions on U.S. actions, effectively limiting congressional checks on foreign policy.

Furthermore, contractors can facilitate foreign policy by proxy, allowing the government (or parts of it) to change events on the ground, but at a distance that allows for plausible deniability. In 1994, the United States licensed U.S. company Military Professional Resources International (MPRI) to provide advice and training to the Croatian government. The country’s president, Franjo Tudjman, received the advantages of U.S. military assistance, but through a private entity. The British government has encouraged similar contracts with states in which British firms have commercial interests. For example, in 1986 the British government loaned money to Mozambique’s government to hire British security firm Defense Systems Limited, which in turn trained soldiers to protect a British company’s tea and sugar estates from rebels.

"Contractors Value Profits More than Peace"

Not always. Although many critics argue that military contractors have an economic interest in prolonging conflict rather than reducing it, employees of private military companies rarely have been accused of aggravating conflict intentionally to keep profits flowing. Indeed, many human rights advocates regard such organizations as a way to hasten interventions that Western powers might otherwise avoid, such as the 1994 genocide in Rwanda.

Yet contractors sometimes worsen the conditions for long-term stability. In 1995, when British security firm Executive Outcomes (EO) helped Sierra Leone’s army defend its capital from rebels, the contractors found the army undependable in retaking the country’s diamond mines. The mines were key to EO’s payment, and the mining companies employed EO subsidiaries. Because EO’s stake in the mines was so high, the firm turned instead to local militias, inadvertently strengthening a parallel force. Tensions between the local army and the militias contributed to a coup, and the militias spoiled several iterations of peace negotiations that followed. Although EO helped with short-term security, its activities did not enhance the conditions for long-term peace. This example also demonstrates how countries with natural resources or wealthy nonstate actors are privileged in the security market.

"Contractors Operate Outside the Law"

Frequently. The legal status of contractors varies considerably. Sometimes they are subject to the laws of the territory in which they operate and other times to those of their home territory, but too often the distinction is unclear. Last March, Zimbabwe arrested some 70 employees associated with British private security firm Logo Logistics, who were accused of plotting to depose President Téodoro Obiang Nguema of Equatorial Guinea. Their legal status remains a matter of dispute.

The Coalition Provisional Authority (CPA), the U.S.-led entity charged with governing Iraq through June 2004, stipulated that contractors are subject to the laws of their parent country, not Iraqi law. Even U.S. legislation created to address this issue (the Military Extraterritorial Jurisdiction Act of 2000) lacks specifics and entrusts the U.S. secretary of defense with initiating prosecutions. Countries that opposed the war may have a particularly hard time prosecuting contractors for crimes committed in Iraq. That is especially true of countries such as South Africa that claim contractors from their country are exporting services without the government’s permission.

The status of contractors is even more contentious under international law. Most security company activity falls outside the purview of the 1989 U.N. Convention on Mercenaries, which governs only such egregious soldier-of-fortune activities
as overthrowing a government. Human rights law generally binds only states, reducing the formal legal responsibilities of contractors. For example, when personnel from the U.S. outsourcing firm DynCorp (hired by the United States to train police officers in the Balkans) were implicated in sex-trade schemes, neither the contractors nor the U.S. government was subject to international legal action. These legal muddles can also restrict the rights of private security personnel. Long concerned about the status of contractors on the battlefield, the U.S. military worries that even as contractors become more involved in the use of lethal force, they are also less likely to receive prisoner-of-war (POW) status if captured by enemy forces. Yet, when the Revolutionary Armed Forces of Colombia (FARC) guerilla group took three U.S. military contractors hostage in 2003 and granted them POW status, the U.S. government still officially designated the contractors as kidnappees.

“No. Those who advocate that the United Nations hire private contractors are not looking to replace U.N. peacekeeping forces. Rather, they hope to make them more flexible and easier to use. For instance, a 2003 proposal by U.S.-based advocacy group International Peace Operations Association to provide private forces for Democratic Republic of the Congo suggested teaming military contractors with local forces. That is a bad idea: Without firm government control, the local forces trained by military contractors could destabilize the environment after the contractors leave.

Outsourced peacekeeping is also unlikely. The U.N. Security Council and General Assembly have been reluctant to consider it because of weak governments’ concern that private security forces could be used against them. Additionally, national militaries that participate in peacekeeping missions (which greatly influence their respective government’s policies) see contractors as competition. Peacekeeping operations give these militaries money and prestige and sometimes keep them afloat.

That said, the Report of the Panel on United Nations Peace Operations—or “Brahimi Report”—
released in August 2000 lists several ways in which U.N. forces could work together more effectively. Military contractors could train them for greater flexibility and capacity. However, the report lists major stumbling blocks to effective peacekeeping operations (such as insufficient member state support and lack of clear mandates) that are unlikely to be solved through privatization.

"Private Military Contractors Undermine State Power"

**Not always.** Military contractors can enhance the power of individual states, as when failed states like Sierra Leone essentially buy an army. Contractors are also quite useful to powerful nations such as the United States, which is managing the chaos in Iraq with fewer troops than many believed necessary by increasing its personnel pool. States that embrace private security have a flexible new foreign-policy tool partly because private forces ease the political restraints typical among democracies. Those states that do not tap into the market lose relative power.

Ultimately, however, contractors undermine states’ collective monopoly on violence. The fact that the United States, Britain, Australia, and the United Nations hire private security makes it hard for nations that oppose military contracting to restrict security firms based in their country. Africa’s civil wars have led extractive companies and NGOs to hire security. This practice can reduce state control over national territories, further complicating conflict resolution. Indeed, private security creates overlapping claims to authority, potentially feeding the problems that prompted demand for private security in the first place. 


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