



Privatizing Military Training

By Deborah Avant, George Washington University

The use of private military companies (PMCs)—based mainly in the U.S., England, and South Africa—has proliferated in the post-cold war era. Today these companies provide a wide array of security functions ranging from military advice and training to operational support to security protection, logistics support, policing, drug interdiction, intelligence, and more. The U.S. and other governments, the United Nations and other international organizations, NGOs, irregular armies, and private companies that operate in the world's hot spots have all purchased these services.

When the Soviet Union collapsed, U.S. forces were downsized, but they were not sufficiently reorganized to meet the demands of regional and ethnic conflicts, humanitarian emergencies, and new missions such as counternarcotics and counterterrorism. In scrambling to meet more requirements with fewer personnel in a

more competitive labor market, the U.S. government has turned to private contractors to carry out logistical support, site security, foreign military training, observation missions, and other functions. Today, at least 35 PMCs are based in the United States. Although older companies such as Vinnell, SAIC, and Cubic have expanded into new services, some of the highest profile firms (including MPRI, which L-3 Communications purchased in 2000) are products of the post-cold war.

One of biggest growth areas for these companies has been

in providing military training. During the 1990s, U.S. private firms trained militaries in more than 42 countries. For instance:

- Hungary hired Cubic to help it restructure its military to comply with NATO standards.
- Croatia and Bosnia each hired Military Professional Resources Incorporated (MPRI) to help professionalize, train, and equip their armed forces in 1995.
- The U.S. has hired MPRI, DynCorp, and other PMCs for military training and other drug war missions in Colombia.
- The State Department and Pentagon have outsourced portions of military training in Africa to SAIC, MPRI, DFI International, Logicon, and other U.S. companies.

Training foreign armies is a prime component of current U.S. engagement strategy, according to *A National Security Strategy for a New Century*, published in 1999. Military training is said to further U.S. contact with other countries, to aid in the spread of democracy and good civil-military relations, and to enhance specific U.S. strategic concerns. As the Bush administration pursues its war on terrorism into more countries without expanding the number of uniformed U.S. personnel, PMCs appear certain to be hired to carry out even more training and other missions. Currently, for instance, the Pentagon is considering hiring PMCs to train Afghanistan's post-Taliban military, according to Joint Chiefs of Staff Chair General Richard Myers.

The use of private firms to assist overt and covert military missions is not new. British companies were involved in the Middle East and Africa in the 1950s and 1960s, and the U.S. contracted companies to train Vietnamese forces in the 1960s. During the cold war, private U.S. firms were associated with tasks deemed "too dirty" for the U.S. government. In Vietnam and Central America, reports of shady and illegal activities—including drug smuggling—by private contractors were rampant. The Iran/contra scandal, for example, uncovered evidence that companies like Southern Air Transport and Setco Aviation transported weapons to the Nicaraguan contras after Congress had cut off aid.

Although little is publicly known about PMC activities, occasional scandals have continued to capture headlines. In 2001, private American contractors piloting a CIA plane on a drug interdiction flight over Peru mistakenly identified a missionary plane as belonging to drug smugglers. The Peruvian military shot down the plane, killing an American missionary and her infant.

Today's PMCs are a subset of what has typically been called mercenary activity. As the number of firms and variety of their functions have expanded over the last decade, PMCs have tried to polish their image and operate more publicly as legitimate businesses. Many have websites, grant interviews, and appear at conferences. They present themselves as flexible tools for use in accomplishing the security goals of their clients around the world. There is now even an organization, the International Peace Operations Association, designed to enhance industry standards.

Revenues from the global international security market are expected to rise from \$55.6 billion in 1990 to \$202 billion in 2010, according to private industry projections. During the 1990s, private security companies with publicly traded stocks grew at twice the rate of the Dow Jones Industrial Average, the *Pittsburgh Post Gazette* reported in February 2000.

Key Points

- Private military companies (PMCs), performing an array of security tasks for a variety of clients, have proliferated.
- In pursuing its war on terrorism, the Pentagon is increasingly relying on the services of PMCs, as overseas training programs expand.
- Although private military companies have long performed covert and unsavory tasks, today's PMCs are seeking to polish their image as legitimate firms.

Problems with Current U.S. Policy

Today, military training is a substantial part of American foreign policy, and much of this training is being privatized. Although interviews with officials both from the U.S. government and firms indicate that PMCs often employ well-trained, highly motivated, professional staff, there are a half dozen major concerns with the outsourcing of military training.

First, though use of private contractors has been promoted as a cost saving measure, it is not clear that outsourcing saves money. Studies of privatization have found that cost savings occur only when there is competition among private companies. However, in practice, there is often collusion among firms competing for long-term contracts. This leads to opportunistic behavior, such as firms bidding low, knowing they can add on later. Further, the calculated costs of outsourcing rarely take into account that the Pentagon must hire people to oversee the contractors. A 1991 RAND study that looked at the private provision of professional military education programs in the U.S. found no cost savings. A 1999 RAND report on privatizing the Reserve Officers' Training Corps (ROTC) estimated that it would cost an addition \$10,000/year/instructor to use contractors. Although several recent Center for Naval Analyses (CNA) studies demonstrate that cost savings are obtained when competition can be insured, long-term training programs require continuity, which makes it difficult and costly to reopen contracts to bids.

Second, privatizing training may actually weaken the U.S. military's capacity for engagement. When the U.S. government pours money for training into companies rather than into its national forces, it encourages private rather than public expertise. It also changes the career calculations of military personnel, adding the private sector into the mix and signaling to the military that training is not a core task. This can reinforce the U.S. military's traditional preference for focusing on high-tech warfare and may move military organizations away from supporting involvement in the array of new missions important to combating terrorism.

Third, contracting private companies avoids congressional and public disclosure and debate, and this carries long-term political costs. Using private contractors may facilitate foreign operations in the short run, because politicians do not have to make the case to send "our boys (and girls)" overseas. However, as the tragic downing of the missionary plane over Peru has demonstrated, the actions of private contractors can damage U.S. foreign relations and undermine policy objectives. Public consideration of the risks and benefits of U.S. military operations is fundamental both to democracy and to the success of policy initiatives.

Contracts that outsource U.S. military functions are governed by the Federal Acquisitions Regulation (FAR) and a Defense Department supplement (DFARS). Despite these regulations, overseeing private personnel has been challenging, and accountability is often lax. This was made dramatically clear in 2001 with the revelations implicating DynCorp employees working for the U.S. Air Force in the Balkans in a network involved in trafficking women for sex.

Fourth, oversight is even more absent when PMCs sell military training directly to foreign governments. An

examination of these private contracts, which are regulated by the International Transfer of Arms Regulations (ITAR), reveals that the licensing process itself is somewhat idiosyncratic. The Defense and State department offices involved in the process vary from contract to contract, and neither the companies nor independent observers are exactly clear about how the process works. Also, according to ITAR, Congress need not be informed ahead of time, unless a contract is over \$50 million. Few contracts reach that amount, and they can easily be split to avoid congressional scrutiny. More importantly, once a company receives a license, there are no oversight or reporting requirements for the duration of the contract.

Although U.S. embassy officials in the contracting country are charged with general oversight and firms often liaise with U.S. defense attachés, no paperwork is filed, and no one has specific responsibility to monitor how these training contracts are fulfilled. The governments in many of these countries are relatively weak or corrupt, and, according to the State Department, many of these foreign militaries have poor human rights records. Allowing private firms to train such militaries without supervision opens possibilities for misbehavior.

Fifth, thorny issues also arise over the relationship between PMCs and official U.S. foreign policy. The same American companies that export military training to foreign governments also often work for the U.S.

government. The close relationship between the U.S. government and these military contractors holds the potential for companies to take actions (with Washington's tacit support) that violate official U.S. policies, norms, and practices. In 1994-95, MPRI supplied and trained the Croatian Army. It was widely speculated that MPRI trainers violated the UN arms embargo by helping the Croats formulate their war plans in the months leading up to the "Operation Storm" offensive, in which more than 100,000 Serbs from the Karjina region were killed. MPRI denied these claims.

Whatever the truth, exporting military training opens the way to foreign policy by proxy, whereby private companies are used to hide U.S. fingerprints.

Finally, the companies themselves are liberally sprinkled with retired military officers, leaving military attachés to, in some instances, oversee their former bosses, perhaps hampering careful supervision. The cachet of retired generals may also cause Pentagon and State Department officials, as well as members of Congress, to give undue credence to PMC lobbying efforts. This presents special problems, especially when these retired military officers are proposing training missions in countries with weak or crumbling governments.

Key Problems

- It is not clear that outsourcing of military training saves the U.S. government any money, and it may increase costs in some cases.
 - Privatizing military training may weaken the U.S. armed forces' expertise and capacity for engagement. Using private contractors may facilitate implementing the war on terrorism in the short run, but it diminishes investment in public institutions.
 - There is not enough oversight and control of private firms that sell training directly to foreign countries.
-

Toward a New Foreign Policy

Over the past several decades, privatization of certain government functions, including a variety of missions traditionally performed by U.S. armed forces, has been billed as synonymous with efficiency, cost savings, and well-run programs that can respond more quickly than government bureaucrats to new policy directions. The jury is still out, however, on the benefits of outsourcing private military training. It is not certain, for instance,

Key Recommendations

- Policymakers should investigate whether the use of PMCs saves money, and their evaluation should consider the long-term political and foreign policy implications of privatization.
- Stronger U.S. regulation of private military exports is needed, including a more transparent licensing process, U.S. government oversight of contracts, and PMC reporting requirements.
- Both the U.S. government and PMCs need to work toward international regulations requiring transparency and accountability and promoting the rule of law and respect for human rights.

that these programs save money. Policymakers should establish procedures to investigate whether using private contractors saves money, rather than assuming it does, and such investigations should include oversight costs and actual (as opposed to projected) spending on long-term contracts in order to reveal the true costs.

Privatizing military training also has potential long-term political and foreign policy implications that should be considered. Employing private companies may increase the flexibility and expand the capacity of the U.S. military. Such flexibility may help impose stability in troubled regions in the short run and

may avoid lengthy political debates over the proper number of U.S. troops required to support U.S. policy. The downside of this approach, however, could be a public increasingly disengaged from global problems; a military ever more focused on combat operations rather than military training, assistance, and other engagement activities; and significant reliance on private firms for a pivotal role in U.S. foreign policy. If the private option provides flexibility in the short run but prevents investment in (or needed reorganization of) military forces to deal with a new range of problems, this flexibility could yield long-run costs and dependencies.

Managing the costs and benefits of military training exports is very complicated. Many weak states (and nonstates) seek the training services that private companies provide. In the absence of Western governments' willingness to provide training services via their own militaries, PMCs offer an alternative to traditional mercenaries, and they are more likely to provide advice on norms of good civil-military relations and professional military behavior in addition to training in military operations. When states hire PMCs from a position of

weakness, however, the potential for individuals to involve themselves in corrupt or criminal behavior is high.

Stronger and clearer U.S. regulations are therefore needed. A more transparent licensing process should be established. It should specify U.S. government oversight of PMC military training exports, and there should be a system established whereby firms must report on their activities. Also, Congress might want to reexamine the thresholds regarding its notification process, since considerable military training can be purchased for \$50 million.

A "U.S. only" approach, though, is not enough. The market for assistance and training is global. In the U.S., many PMCs employ former military personnel who are aware of professional norms, who are generally concerned about their reputations, and who tend to perform their activities with an eye toward preserving their reputations and enhancing their legitimacy. However, U.S. firms are also competing against PMCs from other countries with different—and sometimes little or no—regulations. If State Department concerns prevent MPRI from selling advice and training to Equatorial Guinea, for instance, that government is likely to turn to PMCs from other countries or to less scrupulous individual mercenaries.

The U.S. government and private security companies need to work toward an international regulatory structure that will increase transparency and accountability and will encourage military training that promotes stability, the rule of law, and respect for human rights. An international office, perhaps at the UN (replacing the UN's special rapporteur on mercenaries), would be one mechanism through which the international community could bolster the industry's fledgling efforts at self-regulation. Such a structure could also open the way for a dialogue regarding how and whether private security firms should be employed by NGOs—or even the UN—to carry out certain tasks, such as providing security or training for UN forces in complex emergencies.

In sum, policymakers need to evaluate the economic and political implications of privatizing military training before the U.S. proceeds further down this path. If they decide that private firms are to play a role in training security forces, Congress and the administration should work at both the international and domestic level to ensure that PMC practices are regulated to comply with international law and human rights norms.

Deborah Avant <avant@gwu.edu> is an associate professor of political science and international affairs at the Elliott School of International Affairs, George Washington University.

Foreign Policy in Focus is a joint project of the Interhemispheric Resource Center (IRC) and the Institute for Policy Studies (IPS). The project depends on sales and subscription income, individual donors, and grants from foundations and churches. *In Focus* internships are available, and we invite article queries and comments. ISSN 1524-1939

Editors
Tom Barry (IRC)
Martha Honey (IPS)
Media Officer
Kathy Spillman (IPS)

Communications
Siri Khalsa (IRC)
Erik Leaver (IPS)
Project Administrator
Nancy Stockdale (IRC)

Orders and subscription information:

Mail: PO Box 4506
Albuquerque, New Mexico 87196-4506
Voice & Fax: (505) 842-8288
Email: infocus@irc-online.org

Editorial inquiries and information:

IRC Editor
Voice: (505) 388-0208
Fax: (505) 388-0619
Email: tom@irc-online.org
Website: <http://www.fpif.org/>

IPS Editor
Voice: (202) 234-9382/3 ext. 232
Fax: (202) 387-7915
Email: ipsps@igc.org

Sources for More Information

Organizations

Amnesty International, USA
322 Eighth Ave.
New York, NY 10001
Voice: (212) 633-4200
Fax: (212) 627-1451
Email: aimember@aiusa.org
Website: <http://www.amnesty-usa.org/>

International Alert

1 Glyn St.
London, UK
Voice: (0207) 793-8383
Fax: (0207) 793-7975
Email: general@international-alert.org
Website: <http://www.international-alert.org/>

International Peace Operations Association

21 E. Bellefonte Ave., #106
Alexandria, VA 22301
Voice: (202) 297-9717
Fax: (802) 609-4887
Email: hoosier84@aol.com
Website: <http://www.ipoaonline.org/>
Contact: Douglas Brooks

Publications

Deborah Avant, "Privatizing Military Training: A Challenge to U.S. Army Professionalism?" in Don M. Snider and Gayle L. Watkins, *The Future of the Army Profession* (Boston: McGraw Hill, 2002).

A National Security Strategy for a New Century, Office of the President, 1999.

Lora Lumpe, "U.S. Foreign Military Training: Global Reach, Global Power, and Oversight Issues," *Foreign Policy In Focus Special Report*, May 2002, available at <http://www.fpif.org/papers/miltrain/index.html>

David Shearer, "Outsourcing War," *Foreign Policy*, Fall 1998.

Ken Silverstein, *Private Warriors* (Verso Books, June 2000).

P. W. Singer, "Corporate Warriors: The Rise of the Privatized Military Industry and Its Ramifications for International Security," *International Security*, vol. 26, no. 3, Winter 2001/02.

Juan Carlos Zarate, "The Emergence of a New Dog of War: Private International Security Companies, International Law, and the New World Disorder," *Stanford Journal of International Law*, no. 34, 1998.

Websites

Armor Group

<http://www.armorgroup.com/mainframe.htm>

L-3 Communications

<http://www.l-3com.com/>

MPRI

<http://www.mpri.com/>

Subscribe:

Subscribe for \$15 (10 issues) or \$30 (20 issues). Individual copies of *In Focus* are \$2.50, postpaid; bulk orders of *In Focus* are \$12.00 for 10 copies of the same issue, postpaid; orders for delivery outside the U.S. are double the listed prices. (Subscriptions do not include back issues. Contact the IRC for a list of available back issues.) Make checks payable to the Interhemispheric Resource Center. We also accept VISA and MasterCard.

To subscribe to *Foreign Policy In Focus*, or to order back issues, contact the IRC:

PO Box 4506 ♦ Albuquerque, NM 87196-4506 ♦ Phone / Fax: (505) 842-8288

Name

Email Address

Street Address

City, State, Zip Code

VISA/MasterCard Number

Expiration Date

Signature